

NAMA KHOI

MUNICIPALITY



FINANCIAL STATEMENTS

30 JUNE 2018

NAMA KHOI MUNICIPALITY

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NAMA KHOI MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

GENERAL INFORMATION

NATURE OF BUSINESS

Nama Khoi Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Nama Khoi Municipality includes the towns of Springbok, Concordia, Okiep, Steinkopf, Nababeep, Carolusberg, Vioolsdrift, Rooiwal, Goodhouse and Komaggas.

EXECUTIVE MAYOR

LF Faber

SPEAKER

JD Joseph

MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor
Speaker
Executive Councillor
Executive Councillor

LF Faber
JD Joseph
S Kleinbooi
WS Jordaan

MUNICIPAL MANAGER

SA Titus

CHIEF FINANCIAL OFFICER

H Cloete (Acting)

REGISTERED OFFICE

Private Bag X17
SPRINGBOK
8240

AUDITORS

Office of the Auditor-General (Northern Cape)
Private Bag X5013
KIMBERLEY
8300

PRINCIPLE BANKERS

ABSA Bank

NAMA KHOI MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

GENERAL INFORMATION

ATTORNEYS

Neville Cloete Attorneys
Webber Wentzel
Shreuders Attorneys
Abrahams & Gross
Wessel & Smith
Towell & Groenewaldt
Bouwer & Kie

RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations on Standard Chart of Accounts
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
SALBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

NAMA KHOI MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

GENERAL INFORMATION

MEMBERS OF THE NAMA KHOI MUNICIPALITY

WARD	COUNCILLOR
1	JE van den Heever
2	DA Markus
3	CE Gertze
4	R Kritzinger
5	S Kleinbooi
6	CG Coetzee
7	YL van Zyl
8	P van Reenen
9	GY Pieters
Proportional	LF Faber
Proportional	JD Joseph
Proportional	SCJ van Wyk
Proportional	ZP de Jongh
Proportional	LL Vries
Proportional	SH Ruiter
Proportional	WS Jordaan
Proportional	GJ Coetzee

NAMA KHOI MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2018, which are set out on pages 6 to 101 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

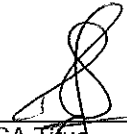
I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2019 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis.



SA Titus
Municipal Manager

31/08/18

Date

NAMA KHOI MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2018

	Notes	2018 R	2017 R
ASSETS			
Non-Current Assets		767 663 871	780 802 066
Property, Plant and Equipment	2	643 115 212	656 226 045
Investment Property	3	123 444 704	123 444 704
Intangible Assets	4	65 156	92 518
Heritage Assets	5	1 038 799	1 038 799
Current Assets		85 544 080	79 622 226
Inventory	8	44 890 303	45 008 696
Receivables from Exchange Transactions	9	6 840 503	7 218 635
Receivables from Non-exchange Transactions	10	4 625 073	4 395 263
Operating Lease Asset	7	46 660	73 643
Taxes	20.3	13 055 267	11 605 393
Cash and Cash Equivalents	11.1	16 059 267	11 293 589
Short-term Investments	11.2	27 006	27 006
Total Assets		853 207 951	860 424 292
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		43 304 219	38 478 420
Long-term Borrowings	12	-	17 238
Non-current Provisions	13	19 565 404	16 558 255
Non-current Employee Benefits	14	23 738 815	21 902 927
Current Liabilities		260 618 839	222 154 748
Consumer Deposits	15	3 126 230	2 998 249
Provisions	16	12 294 004	9 169 630
Current Employee Benefits	17	8 819 559	8 337 236
Trade and Other Payables from Exchange Transactions	18	220 571 693	199 509 292
Unspent Transfers and Subsidies	19	13 402 799	1 889 530
Cash and Cash Equivalents	11.3	2 384 317	-
Current Portion of Long-term Borrowings	12	20 238	250 811
Total Liabilities		303 923 058	260 633 168
Net Assets		549 284 893	599 791 124
Capital Replacement Reserve	21	(0)	144 993
Accumulated Surplus/(Deficit)		549 284 893	599 646 131
Total Net Assets and Liabilities		853 207 951	860 424 292

NAMA KHOI MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 R	2017 R
REVENUE			
Revenue from Non-exchange Transactions		124 094 014	105 597 499
Taxation Revenue		45 165 614	42 273 194
Property Rates	23	45 165 614	42 273 194
Surcharges and Taxes		-	-
Transfer Revenue		69 587 063	56 472 167
Government Grants and Subsidies	24	69 587 063	56 467 167
Public Contributions and Donations	25	-	5 000
Contributed Property, Plant and Equipment	26	-	-
Other Revenue		9 341 336	6 852 139
Actuarial Gains	14	1 371 142	-
Fines, Penalties and Forfeits		105 322	426 444
Interest Earned - Non-exchange Transactions		6 559 589	5 144 715
Licences and Permits	27	1 305 284	1 280 980
Revenue from Exchange Transactions		131 216 225	125 603 154
Service Charges	28	123 371 175	117 911 691
Sales of Goods and Rendering of Services	29	546 928	516 865
Rent on Land	30	968 579	950 125
Rental from Fixed Assets	31	1 719 590	1 754 863
Interest Earned - External Investments	32	1 327 937	1 107 091
Interest Earned - Exchange Transactions	33	1 862 575	1 468 183
Agency Services		1 105 163	1 325 906
Operational Revenue	34	314 279	568 431
Total Revenue		255 310 239	231 200 653
EXPENDITURE			
Employee Related Costs	35	(79 993 865)	(79 844 239)
Remuneration of Councillors	36	(5 791 509)	(5 169 899)
Contracted Services	37	(17 039 492)	(18 158 552)
Depreciation and Amortisation	38	(35 788 517)	(41 149 795)
Actuarial Losses	14	-	(259 101)
Finance Costs	39	(12 118 051)	(5 342 755)
Bulk Purchases	40	(90 326 926)	(85 218 410)
Inventory Consumed	8	(7 651 338)	(6 908 659)
Operating Leases		-	8 085
Operational Costs	41	(26 141 911)	(17 967 548)
Total Expenditure		(274 851 610)	(260 010 873)
Operating Surplus/(Deficit) for the Year		(19 541 371)	(28 810 220)
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	8	(20 910)	(8 356)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	42	(25 303 234)	(27 553 040)
Gains/(Loss) on Sale of Fixed Assets	43	(1 019)	(8 070 528)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	44	-	(844 253)
Profit/(Loss) on Fair Value Adjustments	45	-	-
Water Losses	46	(5 639 687)	(6 420 017)
NET SURPLUS/(DEFICIT) FOR THE YEAR		(50 506 221)	(71 706 414)

NAMA KHOI MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2018

	Capital Replacement Reserve R	Accumulated Surplus/ (Deficit) R	Total R
Balance at 1 July 2016	144 993	671 619 597	671 764 590
Correction of Error - Note 46.4	-	(267 055)	(267 055)
Restated balance	144 993	671 352 542	671 497 535
Net Surplus/(Deficit) for the year	-	(71 706 414)	(71 706 414)
Net Surplus/(Deficit) previously reported	-	(71 706 414)	(71 706 414)
Effects of Correction of Errors - Note 46.5	-	0	0
Restated balance at 30 June 2017	144 993	599 646 128	599 791 121
Net Surplus/(Deficit) for the year	-	(50 506 221)	(50 506 221)
Transfer to/from CRR	(144 993)	144 993	-
Balance at 30 June 2018	-	549 284 900	549 284 900

NAMA KHOI MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 R	2017 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		45 477 999	36 417 951
Service Charges		106 449 786	105 142 364
Other Revenue		5 968 383	8 995 091
Government - Operating		44 484 331	43 090 599
Government - Capital		36 616 000	12 827 000
Interest		1 327 937	1 107 091
Dividends		-	-
Cash payments			
Suppliers and Employees		(205 226 991)	(192 785 472)
Finance Charges		(9 944 903)	(3 518 535)
Transfers and Grants		-	-
Net Cash from Operating Activities	50	25 152 541	11 276 089
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(22 651 349)	(18 533 909)
Net Cash from Investing Activities		(22 651 349)	(18 533 909)
CASH FLOW FROM FINANCING ACTIVITIES			
Short term Loans			-
Borrowing - Long term/Refinancing			-
Increase/(Decrease) in Consumer Deposits		127 981	187 230
Repayment of Borrowing		(247 811)	(626 990)
Net Cash from Financing Activities		(119 830)	(439 760)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2 381 362	(7 697 580)
Cash and Cash Equivalents at the beginning of the year		11 320 596	19 018 176
Cash and Cash Equivalents at the end of the year	51	13 701 957	11 320 596
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2 381 360	(7 697 580)

NAMA KHOI MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2018

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by- law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2018 R	%
ASSETS									
Current Assets									
		4 000 000	(292 015)	3 707 985	-	-	3 707 985	28 600	-99.23%
	Call Investment Deposits	-	-	-	-	-	-	16 057 673	100.00%
	Consumer Debtors	16 963 979	(0)	16 963 979	-	-	16 963 979	8 865 751	-47.74%
	Other Debtors	1 714 385	-	1 714 385	-	-	1 714 385	15 701 752	815.88%
	Current Portion of long-term receivables	-	-	-	-	-	-	-	-
	Inventory	1 038 600	0	1 038 600	-	-	1 038 600	44 890 303	4222.19%
Total Current Assets	54.2.1	23 716 964	(292 015)	23 424 949	-	-	23 424 949	85 544 080	265.18%
Non-Current Assets									
	Long-term Receivables	-	-	-	-	-	-	-	-
	Investments	-	-	-	-	-	-	-	-
	Investment Property	21 774 422	15 000	21 789 422	-	-	21 789 422	123 444 704	466.54%
	Investment in Associates	-	-	-	-	-	-	-	-
	Property, Plant and Equipment	545 809 444	19 632 002	565 441 446	-	-	565 441 446	644 154 011	13.92%
	Agricultural Assets	-	-	-	-	-	-	-	-
	Biological Assets	-	-	-	-	-	-	-	-
	Intangible Assets	90 887	-	90 887	-	-	90 887	65 156	-28.31%
	Other Non-Current Assets	-	-	-	-	-	-	-	-
Total Non-Current Assets	54.2.2	567 674 753	19 647 002	587 321 755	-	-	587 321 755	767 663 871	30.71%
TOTAL ASSETS		591 391 717	19 354 987	610 746 704	-	-	610 746 704	853 207 951	39.70%
LIABILITIES									
Current Liabilities									
	Bank Overdraft	-	-	-	-	-	-	2 384 317	100.00%
	Borrowing	-	-	-	-	-	-	20 238	100.00%
	Consumer Deposits	3 088 532	1	3 088 533	-	-	3 088 533	3 126 230	1.22%
	Trade and Other Payables	112 186 163	(9)	112 186 154	-	-	112 186 154	242 794 051	116.42%
	Provisions	7 105 887	0	7 105 887	-	-	7 105 887	12 294 004	73.01%
Total Current Liabilities	54.2.3	122 380 582	(8)	122 380 574	-	-	122 380 574	260 618 839	112.96%
Non-Current Liabilities									
	Borrowing	244 426	(0)	244 426	-	-	244 426	-	-100.00%
	Provisions	111 341 522	(1)	111 341 521	-	-	111 341 521	43 304 219	-61.11%
Total Non-Current Liabilities	54.2.4	111 585 948	(1)	111 585 947	-	-	111 585 947	43 304 219	-61.19%
TOTAL LIABILITIES		233 966 530	(9)	233 966 521	-	-	233 966 521	303 923 058	29.90%
NET ASSETS									
	Accumulated Surplus/(Deficit)	357 425 187	19 354 996	376 780 183	-	-	376 780 183	549 284 893	45.78%
	Reserves	-	-	-	-	-	-	(0)	-
TOTAL NET ASSETS	54.2.5	357 425 187	19 354 996	376 780 183	-	-	376 780 183	549 284 893	45.78%

NAMA KHOI MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2018 R	%
REVENUE									
Property Rates		44 116 516	1 147 487	45 264 003	-	-	45 264 003	45 165 614	-0.22%
Service Charges - Electricity Revenue		78 578 715	329	78 579 044	-	-	78 579 044	73 323 392	-6.69%
Service Charges - Water Revenue		28 194 353	(107 316)	28 087 037	-	-	28 087 037	26 995 253	-3.89%
Service Charges - Sanitation Revenue		10 692 036	(790 301)	9 901 735	-	-	9 901 735	10 584 590	6.90%
Service Charges - Refuse Revenue		12 723 929	(0)	12 723 929	-	-	12 723 929	12 467 941	-2.01%
Service Charges - Other Revenue		-	-	-	-	-	-	-	-
Rental of Facilities and Equipment		1 657 184	(453 276)	1 203 908	-	-	1 203 908	2 688 169	123.29%
Interest Earned - External Investments		1 361 235	712 618	2 073 853	-	-	2 073 853	1 327 937	-35.97%
Interest Earned - Outstanding Debtors		1 389 005	417 829	1 806 834	-	-	1 806 834	8 422 164	366.13%
Dividends Received		-	-	-	-	-	-	-	-
Fines		5 015 582	1	5 015 583	-	-	5 015 583	105 322	-97.90%
Licences and Permits		1 365 812	(1)	1 365 811	-	-	1 365 811	1 305 284	-4.43%
Agency Services		1 097 937	(0)	1 097 937	-	-	1 097 937	1 105 163	0.66%
Transfers Recognised - Operational		44 440 507	(805 000)	43 635 507	-	-	43 635 507	44 765 962	2.59%
Other Revenue		1 814 421	(739 340)	1 075 081	-	-	1 075 081	861 206	-19.89%
Gains on Disposal of PPE		-	7 000 000	7 000 000	-	-	7 000 000	(1 019)	-100.01%
Total Revenue (excluding capital transfers and contributions)									
54.2.6		232 447 233	6 383 029	238 830 262	-	-	238 830 262	229 116 977	-4.07%
EXPENDITURE									
Employee Related Costs		82 830 101	(6)	82 830 095	-	-	82 830 095	78 622 723	-5.08%
Remuneration of Councillors		5 367 519	2	5 367 521	-	-	5 367 521	5 791 509	7.90%
Debt Impairment		9 977 349	-	9 977 349	-	-	9 977 349	25 303 234	153.61%
Depreciation and Asset Impairment		43 517 405	1	43 517 406	-	-	43 517 406	35 788 517	-17.76%
Finance Charges		750 000	-	750 000	-	-	750 000	12 118 051	1515.74%
Bulk Purchases		98 724 239	0	98 724 239	-	-	98 724 239	90 326 926	-8.51%
Other Materials		8 076 534	75 617	8 152 151	-	-	8 152 151	7 672 247	-5.89%
Contracted Services		21 901 246	199 073	22 100 319	-	-	22 100 319	17 039 492	-22.90%
Transfers and Grants		-	-	-	-	-	-	-	-
Other Expenditure		19 601 249	(409 547)	19 191 702	-	-	19 191 702	31 781 598	65.60%
Loss on Disposal of PPE		-	-	-	-	-	-	-	-
Total Expenditure									
54.2.7		290 745 641	(134 859)	290 610 782	-	-	290 610 782	304 444 299	4.76%
Surplus/(Deficit)									
		(58 298 408)	6 517 888	(51 780 520)	-	-	(51 780 520)	(75 327 322)	45.47%
Transfers Recognised - Capital		24 774 000	12 647 000	37 421 000	-	-	37 421 000	24 821 101	-33.67%
Contributions Recognised - Capital		-	-	-	-	-	-	-	-
Contributed Assets		-	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions									
		(33 524 408)	19 164 888	(14 359 520)	-	-	(14 359 520)	(50 506 221)	251.73%
Taxation		-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation									
		(33 524 408)	19 164 888	(14 359 520)	-	-	(14 359 520)	(50 506 221)	251.73%
Attributable to Minorities		-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality									
		(33 524 408)	19 164 888	(14 359 520)	-	-	(14 359 520)	(50 506 221)	251.73%
Share of Surplus/(Deficit) of Associate		-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year									
		(33 524 408)	19 164 888	(14 359 520)	-	-	(14 359 520)	(50 506 221)	251.73%

NAMA KHOI MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by- law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2018 R	%
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
	Taxation	41 643 455	1 726 701	43 370 156	-	-	43 370 156	45 477 999	4.86%
	Service Charges	125 766 390	(2 456 440)	123 309 950	-	-	123 309 950	106 449 786	-13.67%
	Other Revenue	7 579 368	60 799	7 640 167	-	-	7 640 167	5 968 383	-21.88%
	Government - Operating	44 440 507	(805 000)	43 635 507	-	-	43 635 507	44 484 331	1.95%
	Government - Capital	24 774 000	12 647 000	37 421 000	-	-	37 421 000	36 616 000	-2.15%
	Interest	1 361 235	712 618	2 073 853	-	-	2 073 853	1 327 937	-35.97%
	Dividends	-	-	-	-	-	-	-	
Payments									
	Suppliers and Employees	(220 930 642)	469 306	(220 461 336)	-	-	(220 461 336)	(205 226 991)	-6.91%
	Finance costs	(750 000)	-	(750 000)	-	-	(750 000)	(9 944 903)	1225.99%
	Transfers and Grants	-	-	-	-	-	-	-	#DIV/0!
Net Cash from/(used) Operating Activities	54.2.8	23 884 312	12 354 985	36 239 297	-	-	36 239 297	25 152 541	-30.59%
CASH FLOW FROM INVESTING ACTIVITIES									
Receipts									
	Proceeds on disposal of PPE	-	7 000 000	7 000 000	-	-	7 000 000	-	-100.00%
	Decrease/(Increase) in Non-Current Debtors	-	-	-	-	-	-	-	
	Decrease/(Increase) in Other Non-Current Receivables	-	-	-	-	-	-	-	
	Decrease/(Increase) in Non-Current Investments	-	-	-	-	-	-	-	
Payments									
	Capital Assets	(24 774 000)	(19 647 000)	(44 421 000)	-	-	(44 421 000)	(22 651 349)	-49.01%
Net Cash from/(used) Investing Activities	54.2.9	(24 774 000)	(12 647 000)	(37 421 000)	-	-	(37 421 000)	(22 651 349)	-39.47%
CASH FLOW FROM FINANCING ACTIVITIES									
Receipts									
	Short Term Loans	-	-	-	-	-	-	-	
	Borrowing long term/refinancing	-	-	-	-	-	-	-	
	Increase/(Decrease) in Consumer Deposits	318 789	-	318 789	-	-	318 789	127 981	-59.85%
Payments									
	Repayment of Borrowing	(160 389)	-	(160 389)	-	-	(160 389)	(247 811)	54.51%
Net Cash from/(used) Financing Activities	54.2.10	158 401	-	158 401	-	-	158 401	(119 830)	-175.65%
NET INCREASE/(DECREASE) IN CASH HELD									
	Cash and Cash Equivalents at the year begin:	(731 287)	(292 015)	(1 023 303)	-	-	(1 023 303)	2 381 362	-332.71%
		4 731 287	-	4 731 287	-	-	4 731 287	11 320 596	139.27%
	Cash and Cash Equivalents at the year end:	4 000 000	(292 015)	3 707 985	-	-	3 707 985	13 701 958	269.53%

INSERT ACCOUNTING POLICY

See word document

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2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2018

Reconciliation of Carrying Value							
	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying Value at 1 July 2017	19 974 974	19 925 618	587 909 842	24 503 366	219 187	3 693 061	656 226 047
Cost	19 974 974	28 228 528	1 112 894 104	58 427 391	604 188	13 453 186	1 233 582 371
Original Cost	19 974 974	28 228 528	1 112 894 104	58 427 391	604 188	13 453 186	1 233 582 371
Accumulated Depreciation and Impairment Losses	-	(8 302 910)	(524 984 262)	(33 924 026)	(385 002)	(9 760 125)	(577 356 324)
Original Cost	-	(8 302 910)	(524 984 262)	(33 924 026)	(385 002)	(9 760 125)	(577 356 324)
Acquisitions	-	-	14 873 305	-	-	189 077	15 062 382
Capital under Construction	-	-	7 588 957	-	-	-	7 588 957
Depreciation	-	(1 806 479)	(30 684 942)	(2 247 022)	(106 987)	(915 725)	(35 761 155)
Normal Depreciation	-	(1 806 479)	(30 684 942)	(2 247 022)	(106 987)	(915 725)	(35 761 155)
Backlog Depreciation	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	-	(1 019)	(1 019)
Cost	-	-	-	-	-	(3 889)	(3 889)
Accumulated Depreciation	-	-	-	-	-	2 870	2 870
Impairment losses	-	-	-	-	-	-	-
Reversal of Impairment losses	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-
Carrying Value at 30 June 2018	19 974 974	18 119 139	579 687 162	22 256 344	112 200	2 965 393	643 115 212
Cost	19 974 974	28 228 528	1 135 356 366	58 427 391	604 188	13 638 374	1 256 229 821
Original Cost	19 974 974	28 228 528	1 135 356 366	58 427 391	604 188	13 638 374	1 256 229 821
Accumulated Depreciation and Impairment Losses	-	(10 109 389)	(555 669 204)	(36 171 048)	(491 989)	(10 672 980)	(613 114 609)
Original Cost	-	(10 109 389)	(555 669 204)	(36 171 048)	(491 989)	(10 672 980)	(613 114 609)

2.2 30 JUNE 2017

Reconciliation of Carrying Value							
	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying Value at 1 July 2016	19 974 974	20 335 061	601 249 451	27 783 180	418 429	5 992 270	675 753 365
Cost	19 974 974	27 761 238	1 103 798 926	62 311 781	604 188	17 875 970	1 232 327 077
Original Cost	19 974 974	27 761 238	1 103 798 926	62 311 781	604 188	17 875 970	1 232 327 077
Correction of Error - Note 38.5	-	-	-	-	-	-	-
Accumulated Depreciation and Impairment Losses	-	(7 426 176)	(502 549 475)	(34 528 601)	(185 760)	(11 883 700)	(556 573 711)
Original Cost	-	(7 426 176)	(502 549 475)	(34 528 601)	(185 760)	(11 883 700)	(556 573 711)
Correction of Error - Note 38.5	-	-	-	-	-	-	-
Acquisitions	-	744 415	14 682 764	-	-	561 650	15 988 828
Original Cost	-	744 415	14 682 764	-	-	561 650	15 988 828
Contributed PPE	-	-	-	-	-	-	-
Capital under Construction	-	-	15 353 136	-	-	-	15 353 136
Original Cost	-	-	15 353 136	-	-	-	15 353 136
Correction of Error - Note 38.5	-	-	-	-	-	-	-
Depreciation	-	(1 046 038)	(35 867 161)	(2 749 754)	(199 242)	(1 259 168)	(41 121 363)
Normal Depreciation	-	(1 046 038)	(35 867 161)	(2 749 754)	(199 242)	(1 259 168)	(41 121 363)
Backlog Depreciation previously not recorded - Note 38.5	-	-	-	-	-	-	-
Carrying value of disposals	-	(107 820)	(6 245 834)	(530 061)	-	(1 600 744)	(8 484 458)
Cost	-	(277 124)	(20 940 723)	(3 884 390)	-	(4 984 434)	(30 086 670)
Correction of Error - Note 38.5	-	-	-	-	-	-	-
Accumulated Depreciation	-	169 304	14 694 889	3 354 329	-	3 383 690	21 602 212
Correction of Error - Note 38.5	-	-	-	-	-	-	-
Impairment losses	-	-	(1 262 514)	-	-	(947)	(1 263 462)
Reversal of Impairment losses	-	-	-	-	-	-	-
Impairment losses	-	-	(1 262 514)	-	-	(947)	(1 263 462)
Carrying Value at 30 June 2017	19 974 974	19 925 618	587 909 842	24 503 366	219 187	3 693 061	656 226 047
Cost	19 974 974	28 228 528	1 112 894 104	58 427 391	604 188	13 453 186	1 233 582 371
Original Cost	19 974 974	28 228 528	1 112 894 104	58 427 391	604 188	13 453 186	1 233 582 371
Accumulated Depreciation and Impairment Losses	-	(8 302 910)	(524 984 262)	(33 924 026)	(385 002)	(9 760 125)	(577 356 324)
Original Cost	-	(8 302 910)	(524 984 262)	(33 924 026)	(385 002)	(9 760 125)	(577 356 324)

NAMA KHOI MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
		R	R
2.	PROPERTY, PLANT AND EQUIPMENT		
	See previous sheet		
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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
2.3 Property, Plant and Equipment which is in the process of being constructed or developed:		
Infrastructure Assets	20 715 223	15 353 136
Roads	706 704	1 262 302
Storm Water	411 906	411 906
Electricity	3 148 796	2 712 430
Water Supply	4 644 791	-
Sanitation	11 803 025	10 966 498
Solid Waste	-	-
Rail	-	-
Coastal	-	-
Information and Communication	-	-
Community Assets	-	-
Other Assets	-	-
Total Property, Plant and Equipment under construction	20 715 223	15 353 136
2.4 There is no Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected.		
2.5 There is no Property, Plant and Equipment where construction or development has been		
2.6 Expenditure incurred to repair and maintain Property, Plant and Equipment:		
Employee related costs	-	-
Other materials	1 633 938	7 836 814
Contracted Services	10 408 657	4 613 555
Other Expenditure	-	-
Total Repairs and Maintenance	12 042 595	12 450 369
2.7 Assets pledged as security:		
Leased Property, Plant and Equipment of R 19 944 is secured for leases as set out in Note 12.		
2.8 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:	12 139 582	84 281 491
Infrastructure	12 139 582	84 281 491
Community	-	-
Other	-	-
Total	12 139 582	84 281 491
This expenditure will be financed from:		
Government Grants	12 139 582	84 281 491
Total	12 139 582	84 281 491

Depreciated Replacement Cost was calculated in accordance with Directive 7. Where it was impracticable to determine depreciated replacement cost on GRAP implementation date, 1 July 2015 was used.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
3. INVESTMENT PROPERTY		
3.1 Net Carrying amount at 1 July	123 444 704	123 444 704
Cost	123 444 704	123 444 704
Accumulated Depreciation	-	-
Accumulated Impairment Loss	-	-
Additions	-	-
Depreciation for the year	-	-
Impairment loss	-	-
Reversal of Impairment loss	-	-
Net Carrying amount at 30 June	123 444 704	123 444 704
Cost	123 444 704	123 444 704
Accumulated Depreciation	-	-
Accumulated Impairment Loss	-	-
3.2 Revenue from Investment Property		
Revenue derived from the rental of Investment Property	433 830	548 175
3.3 Operating Expenditure incurred on properties:		
Repairs and Maintenance		
Revenue Generating	1 285 760	1 114 280
Improved Property	1 285 760	1 114 280
Unimproved Property	-	-
Non-revenue Generating	-	-
Improved Property	-	-
Unimproved Property	-	-
Total Repairs and Maintenance	1 285 760	1 114 280

There is no Investment Property which is in the process of being constructed or developed.

There is no Investment Property that is taking a significantly longer period of time to complete than expected.

There is no Investment Property where construction or development has been halted.

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Depreciated Replacement Cost was calculated in accordance with Directive 7. Where it was impracticable to determine depreciated replacement cost on GRAP implementation date, 1 July 2015 was used.

4. INTANGIBLE ASSETS

4.1 Net Carrying amount at 1 July	92 518	121 041
Cost	309 691	309 691
Accumulated Amortisation	(217 173)	(188 649)
Additions	-	-
Amortisation	(27 362)	(28 524)
Net Carrying amount at 30 June	65 156	92 518
Cost	309 691	309 691
Accumulated Amortisation	(244 535)	(217 173)

There are no Intangible Assets which is in the process of being constructed or developed.

There are no Intangible Assets that is taking a significantly longer period of time to complete than expected.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

There are no Intangible Assets where construction or development has been halted.

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

Depreciated Replacement Cost was calculated in accordance with Directive 7. Where it was impracticable to determine depreciated replacement cost on GRAP implementation date, 1 July 2015 was used.

	2018 R	2017 R
5. HERITAGE ASSETS		
5.1 Net Carrying amount at 1 July	1 038 799	1 038 799
Cost	1 038 799	1 038 799
Accumulated Impairment Loss	-	-
Additions	-	-
Disposals	-	-
Net Carrying amount at 30 June	1 038 799	1 038 799
Cost	1 038 799	1 038 799
Accumulated Impairment Loss	-	-
Cultural Artifacts	245	245
Historical Buildings	1 038 554	1 038 554
	<u>1 038 799</u>	<u>1 038 799</u>

The municipality has 245 movable heritage assets located in the Namakwaland Museum. The municipality has not determined the fair value of these items which are carried at a value of R1 each, management will attempt to determine the fair values of the items as required by GRAP 103 in the next financial year.

There are no restrictions on the realisability of Heritage Assets or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.

There are no Heritage Assets pledged as security for liabilities

There are no Heritage Assets that are used by the municipality for more than one purpose.

Depreciated Replacement Cost was calculated in accordance with Directive 7. Where it was impracticable to determine depreciated replacement cost on GRAP implementation date, 1 July 2015 was used.

There are no Heritage Assets which is in the process of being constructed or developed.

There are no Heritage Assets that is taking a significantly longer period of time to complete than expected.

There are no Heritage Assets where construction or development has been halted.

There are no restrictions on the realisability of Heritage Assets or the remittance of revenue and proceeds of disposal.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
6. NON-CURRENT RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Receivables with repay arrangements - At amortised cost	4 401 704	4 287 198
Less: Provision for Debt Impairment	(4 401 704)	(4 287 198)
Total Non-Current Receivables from Exchange Transactions	-	-
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	4 287 198	7 390 642
Contribution to provision	114 506	-
Reversal of provision	-	(3 103 444)
Balance at end of year	4 401 704	4 287 198
7. OPERATING LEASE ARRANGEMENTS		
7.1 The Municipality as Lessor		
Operating Lease Asset	46 660	73 643
<u>Disclosed as follows:</u>		
Non-Current Operating Lease Asset	-	-
Current Operating Lease Asset	46 660	73 643
	46 660	73 643
<u>Reconciliation</u>		
Balance at the beginning of the year	73 643	89 968
Movement during the year	(26 982)	(16 326)
Balance at the end of the year	46 660	73 643
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	169 396	258 097
1 to 5 Years	62 721	232 117
More than 5 Years	-	-
Total Operating Lease Arrangements	232 117	490 214
Operating leases relate to property owned by the municipality with lease terms of between 1 to 3 years, with an option to extend. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.		
8. INVENTORY		
Consumables	580 203	670 760
Land	44 042 579	44 042 579
Materials and Supplies	43 407	32 211
Water	224 114	263 147
Total Inventory	44 890 303	45 008 696
The municipality recognised only purification costs in respect of non-purchased purified water inventory.		
Land inventory consists of land		
8.1 Inventories recognise as an expense during the year:		
Consumables	7 461 802	6 610 931
Materials and Supplies	189 536	297 728
Total	7 651 338	6 908 659

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
8.2 Inventories written down due to losses as identified during the annual stores counts:		
Consumables	20 910	8 356
Total	20 910	8 356

No inventories were pledged as security for liabilities.

	2018 R	2017 R
9. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	36 645 474	31 621 177
Water	37 938 142	31 395 586
Property Rentals	2 555 022	1 813 048
Waste Management	21 156 747	17 155 499
Waste Water Management	10 194 929	8 174 274
Other Arrears	3 253 551	3 082 556
Correction of Error - Note 46.1	-	(167 733)
Total: Receivables from exchange transactions (before provision)	111 743 866	93 074 407
Less: Provision for Debt Impairment	(104 903 362)	(85 855 771)
Total: Receivables from exchange transactions (after provision)	6 840 503	7 218 635

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

(Electricity): Ageing

Current (0 - 30 days)	4 397 076	4 384 854
31 - 60 Days	1 247 734	1 633 102
61 - 90 Days	627 644	759 880
+ 90 Days	30 373 020	24 843 341
Total	36 645 474	31 621 177

(Water): Ageing

Current (0 - 30 days)	1 363 549	1 461 927
31 - 60 Days	1 158 711	1 494 811
61 - 90 Days	737 799	945 371
+ 90 Days	34 678 083	27 493 477
Total	37 938 142	31 395 586

(Property Rentals): Ageing

Current (0 - 30 days)	(24 185)	(54 932)
31 - 60 Days	49 744	74 358
61 - 90 Days	557 064	43 426
+ 90 Days	1 972 399	1 750 196
Total	2 555 022	1 813 048

(Waste Management): Ageing

Current (0 - 30 days)	1 181 603	1 203 619
31 - 60 Days	626 412	677 829
61 - 90 Days	375 203	456 309
+ 90 Days	18 973 529	14 817 742
Total	21 156 747	17 155 499

NAMA KHOI MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
<u>(Waste Water Management): Ageing</u>		
Current (0 - 30 days)	849 448	806 708
31 - 60 Days	416 536	429 540
61 - 90 Days	213 628	266 555
+ 90 Days	8 715 316	6 671 471
Total	10 194 929	8 174 274
<u>(Other): Ageing</u>		
Current (0 - 30 days)	102 317	117 134
31 - 60 Days	87 828	102 386
61 - 90 Days	55 123	85 683
+ 90 Days	3 008 284	2 777 353
Total	3 253 551	3 082 556
<u>(Total): Ageing</u>		
Current (0 - 30 days)	7 869 808	7 919 311
31 - 60 Days	3 586 965	4 412 025
61 - 90 Days	2 566 462	2 557 224
+ 90 Days	97 720 631	78 353 580
Total	111 743 866	93 242 140
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	85 855 771	63 212 326
Contribution to provision	16 563 123	19 862 671
VAT on provision	2 484 468	2 780 774
Reversal of provision	-	-
Balance at end of year	104 903 362	85 855 771
The total amount of this provision is R 104 903 362 and consist of:		
Services	104 903 362	85 855 771
Other Debtors	-	-
Total Provision for Debt Impairment on Receivables from exchange transactions	104 903 362	85 855 771
<u>Ageing of amounts past due but not impaired:</u>		
1 month past due	3 586 965	4 412 025
2+ months past due	3 253 538	2 806 610
	6 840 503	7 218 635
The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually.		
Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.		
10. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Taxes - Rates	31 285 569	25 038 364
Fines	1 339 474	1 335 424
Unauthorised, Irregular, Fruitless and Wasteful Expenditure	607 687	607 687
Other Receivables	652 664	532 971
	33 885 393	27 514 446
Less: Provision for Debt Impairment	(29 260 320)	(23 119 183)
Total Receivables from non-exchange transactions	4 625 073	4 395 263

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

	2018 R	2017 R
<u>(Rates): Ageing</u>		
Current (0 - 30 days)	2 439 557	2 306 719
31 - 60 Days	1 339 130	1 167 833
61 - 90 Days	605 654	666 412
+ 90 Days	26 901 228	20 897 400
Total	31 285 569	25 038 364

Summary of Debtors (Rates) by Customer Classification

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
30 June 2018				
Current (0 - 30 days)	1 904 005	624 824	(88 953)	2 439 876
31 - 60 Days	849 389	489 279	462	1 339 130
61 - 90 Days	422 563	182 686	404	605 653
+ 90 Days	23 067 961	3 760 172	72 777	26 900 910
Sub-total	26 243 918	5 056 961	(15 310)	31 285 569
Less: Provision for Debt Impairment				(29 260 320)
Total debtors by customer classification				2 025 248

Summary of Debtors (Rates) by Customer Classification

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
30 June 2017				
Current (0 - 30 days)	1 901 031	404 651	1 037	2 306 719
31 - 60 Days	879 888	286 416	1 579	1 167 883
61 - 90 Days	496 497	168 347	1 568	666 412
+ 90 Days	17 817 071	2 945 231	135 048	20 897 350
Sub-total	21 094 487	3 804 645	139 232	25 038 364
Less: Provision for Debt Impairment				(23 119 183)
Total debtors by customer classification				1 919 181

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	23 119 183	16 354 303
Contribution to provision	6 141 137	6 764 880
Reversal of provision	-	-
Balance at end of year	29 260 320	23 119 183

Ageing of amounts past due but not impaired:

1 month past due	1 339 130	1 167 833
2+ months past due	686 118	751 348
	2 025 248	1 919 181

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

The outstanding fine receivable balance at year end is reduced to its recoverable amount by recognising a provision for impairment against the receivable raised. This is considered to be a subsequent event. The provision for impairment is based on current and past collection rates applicable to fines.

	2018 R	2017 R
11. BANK ACCOUNTS		
11.1 Cash and Cash Equivalents		
Current Accounts	-	3 087 224
Call Deposits and Investments	16 030 667	8 170 032
Cash On-hand	28 600	10 600
Correction of Error - Note 46.2	-	25 733
Total Cash and Cash Equivalents - Assets	16 059 267	11 293 589
11.2 Short-term Investments		
Call Deposits	27 006	27 006
Total Short-term Investments	27 006	27 006
11.3 Liabilities		
Current Accounts	2 384 317	-
Total Cash and Cash Equivalents - Liabilities	2 384 317	-

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

The municipality did not pledge any of its Cash and Cash Equivalents as collateral for its financial liabilities

No restrictions have been imposed on the municipality in terms of the utilisation of its Cash and Cash Equivalents.

Call Investments Deposits to an amount of R16 030 667 are held to fund the Unspent Conditional Grants (2017: R8 170 032).

The municipality has the following bank accounts:

Current Accounts

ABSA Bank Limited - Account Number 4052704442 (Primary Bank Account):	(2 384 317)	3 087 224
	(2 384 317)	3 087 224

Call Deposits and Investments

ABSA Bank Limited - Account Number 9270778034 (Library):	1 290 592	2 386 308
ABSA Bank Limited - Account Number 9249138970 (FMG):	939	945
ABSA Bank Limited - Account Number 9233473372 (Land Sales):	965 979	700 975
ABSA Bank Limited - Account Number 9233471702 (MIG):	939	4 062 234
ABSA Bank Limited - Account Number 9233473306 (Housing):	949	441 505
ABSA Bank Limited - Account Number 9233472871 (DME):	7 218 140	920
ABSA Bank Limited - Account Number 9255092704 (NDFT):	550 000	550 000
ABSA Bank Limited - Account Number 9259915702 (MSIG):	975	975
ABSA Bank Limited - Account Number 9276734547 (EPWP):	90 646	945
ABSA Bank Limited - Account Number 9313614189 (ACIP):	1 392 133	975
ABSA Bank Limited - Account Number 9313614430 (LG SETA):	88 084	24 250
ABSA Bank Limited - Account Number 9338917532 (Drought Relief):	4 431 291	-
	16 030 667	8 170 032

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Details of current accounts are as follows:

	2018 R	2017 R
ABSA Bank Limited - Account Number 4052704442 (Primary Bank Account):		
Cash book balance at beginning of year	3 087 224	8 377 225
Cash book balance at end of year	(2 384 317)	3 087 224
Bank statement balance at beginning of year	3 346 499	8 616 100
Bank statement balance at end of year	1 115 373	3 346 499
Details of call investment accounts are as follow:		
ABSA Bank Limited - Account Number 9270778034 (Library):		
Cash book balance at beginning of year	2 386 308	3 288 799
Cash book balance at end of year	1 290 592	2 386 308
Bank statement balance at beginning of year	2 386 308	3 288 799
Bank statement balance at end of year	1 290 592	2 386 308
ABSA Bank Limited - Account Number 9249138970 (FMG):		
Cash book balance at beginning of year	945	425 630
Cash book balance at end of year	939	945
Bank statement balance at beginning of year	945	425 630
Bank statement balance at end of year	939	945
ABSA Bank Limited - Account Number 9233473372 (Land Sales):		
Cash book balance at beginning of year	700 975	1 000
Cash book balance at end of year	965 979	700 975
Bank statement balance at beginning of year	700 975	1 000
Bank statement balance at end of year	965 979	700 975
ABSA Bank Limited - Account Number 9233471702 (MIG):		
Cash book balance at beginning of year	4 062 234	3 243 280
Cash book balance at end of year	939	4 062 234
Bank statement balance at beginning of year	4 062 234	3 243 280
Bank statement balance at end of year	939	4 062 234
ABSA Bank Limited - Account Number 9233473306 (Housing):		
Cash book balance at beginning of year	441 505	1 758 776
Cash book balance at end of year	949	441 505
Bank statement balance at beginning of year	441 505	1 758 776
Bank statement balance at end of year	949	441 505
ABSA Bank Limited - Account Number 9233472871 (DME):		
Cash book balance at beginning of year	920	211 331
Cash book balance at end of year	7 218 140	920
Bank statement balance at beginning of year	920	211 331
Bank statement balance at end of year	7 218 140	920
ABSA Bank Limited - Account Number 9255092704 (NDFT):		
Cash book balance at beginning of year	550 000	1 050 000
Cash book balance at end of year	550 000	550 000
Bank statement balance at beginning of year	550 000	1 050 000
Bank statement balance at end of year	550 000	550 000
ABSA Bank Limited - Account Number 9259915702 (MSIG):		
Cash book balance at beginning of year	975	154 183
Cash book balance at end of year	975	975
Bank statement balance at beginning of year	975	154 183
Bank statement balance at end of year	975	975

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
ABSA Bank Limited - Account Number 9276734547 (EPWP):		
Cash book balance at beginning of year	945	409 277
Cash book balance at end of year	90 646	945
Bank statement balance at beginning of year	945	409 277
Bank statement balance at end of year	90 646	945
ABSA Bank Limited - Account Number 9313614189 (ACIP):		
Cash book balance at beginning of year	975	1 000
Cash book balance at end of year	1 392 133	975
Bank statement balance at beginning of year	975	1 000
Bank statement balance at end of year	1 392 133	975
ABSA Bank Limited - Account Number 9313614430 (LG SETA):		
Cash book balance at beginning of year	24 250	67 342
Cash book balance at end of year	88 084	24 250
Bank statement balance at beginning of year	24 250	67 342
Bank statement balance at end of year	88 084	24 250
ABSA Bank Limited - Account Number 9338917532 (Drought Relief):		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	4 431 291	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	4 431 291	-

12. LONG-TERM BORROWINGS

Annuity Loans - At amortised cost	-	-
Capitalised Lease Liability - At amortised cost	20 238	268 049
	20 238	268 049
Less: Current Portion transferred to Current Liabilities	(20 238)	(250 811)
Capitalised Lease Liability - At amortised cost	(20 238)	(250 811)
	-	17 238
Total Long-term Borrowings	-	17 238

12.1 The obligations under finance leases are scheduled below:

		Minimum payments
Amounts payable under finance leases:		
Payable within one year	20 491	270 149
Payable within two to five years	-	20 491
Payable after five years	-	-
	20 491	290 640
Less: Future finance obligations	(253)	(22 591)
Present value of finance lease obligations	20 238	268 049

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Nashua	Printers & Copiers	10%	0%	3 Years	31/07/2018

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Hire Purchases and Leases are secured by property, plant and equipment - Note 2

NAMA KHOI MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
13. NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Landfill-sites	19 565 404	16 558 255
Total Non-current Provisions	19 565 404	16 558 255
13.1 Landfill Sites		
Balance 1 July	25 727 886	24 420 413
Contribution for the year	6 131 522	1 307 473
Total provision 30 June	31 859 408	25 727 886
Less: Transfer of Current Portion to Current Provisions - Note 16	(12 294 004)	(9 169 630)
Balance 30 June	19 565 405	16 558 256

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows

	Bergsig	Nababeep	Steinkopf
Area (m ²)	36 000	12 000	40 600
Rehabilitation volume (m ³)	28 224	6 490	19 278
Fence (m)	990	500	400
Cost of fence (R715/m)	707 850	357 500	286 000
Site Clearance (R77/m ³)	2 173 248	499 730	1 484 406
Excavation cost (R132/m ³)	-	-	-
Capping (R66/m ²)	2 376 000	792 000	2 679 600
Environmental impact assessment (Rand)	-	300 000	-
Application for permits (Rand)	-	35 000	-
Preliminary and general (Rand)	788 565	247 385	667 501
Fees and expenses (Rand)	604 566	189 661	511 751
	Komaggas	Concordia	Bulletrap
Area (m ²)	17 500	6 200	4 800
Rehabilitation volume (m ³)	14 740	3 270	616
Fence (m)	560	380	320
Cost of fence (R715/m)	400 400	271 700	228 800
Site Clearance (R77/m ³)	1 134 980	251 790	47 432
Excavation cost (R132/m ³)	-	-	-
Capping (R66/m ²)	1 155 000	409 200	316 800
Environmental impact assessment (Rand)	-	300 000	300 000
Application for permits (Rand)	-	35 000	35 000
Preliminary and general (Rand)	403 557	139 904	88 955
Fees and expenses (Rand)	309 394	107 259	68 199
	Rooiwal	Vioolsdrift	Springbok
Area (m ²)	27 500	8 000	9 900
Rehabilitation volume (m ³)	14 857	4 725	1 960
Fence (m)	-	-	400
Cost of fence (R715/m)	-	-	286 000
Site Clearance (R77/m ³)	1 143 989	363 825	150 920
Excavation cost (R132/m ³)	2 092 400	680 000	310 400
Capping (R66/m ²)	1 815 000	528 000	653 400
Environmental impact assessment (Rand)	300 000	300 000	300 000
Application for permits (Rand)	35 000	35 000	35 000
Preliminary and general (Rand)	757 708	235 774	210 108
Fees and expenses (Rand)	580 910	180 760	161 083

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. The estimate cost and date of decommission of the sites are as follows:

NAMA KHOI MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Location	Estimated decommission date	2018 R	2017 R
Bergsig	2028	11 359 552	10 061 873
Nababeep	2028	4 135 889	3 657 005
Steinkopf	2028	9 615 585	8 736 035
Komaggas	2028	5 813 380	5 176 490
Concordia	2028	2 587 588	2 281 837
Bulletrap	2028	1 853 654	1 626 960
Rooiwal	Closed	6 725 007	4 801 966
Violsdrift	Closed	2 323 359	1 648 638
Springbok	Closed	2 106 911	1 665 399
		46 520 924	39 656 203
14. NON-CURRENT EMPLOYEE BENEFITS			
Provision for Post Retirement Health Care Benefits		19 055 675	17 577 823
Provision for Long Service Awards		4 683 140	4 325 104
Total Non-current Employee Benefits		23 738 815	21 902 927
<u>Post Retirement Health Care Benefits</u>			
Balance 1 July		17 896 191	15 618 446
Contribution for the year		2 720 368	2 268 994
Expenditure for the year		(189 913)	(248 670)
Actuarial Loss/(Gain)		(997 061)	257 421
Total provision 30 June		19 429 585	17 896 191
Less: Transfer of Current Portion to Current Provisions - Note 17		(373 910)	(318 368)
Balance 30 June		19 055 675	17 577 823
<u>Long Service Awards</u>			
Balance 1 July		5 262 103	4 722 398
Contribution for the year		816 322	814 443
Expenditure for the year		(431 467)	(276 418)
Actuarial Loss/(Gain)		(374 081)	1 680
Total provision 30 June		5 272 877	5 262 103
Less: Transfer of Current Portion to Current Provisions - Note 17		(589 737)	(936 999)
Balance 30 June		4 683 140	4 325 104
14.1 Provision for Post Retirement Health Care Benefits			
The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:			
In-service (employee) members		82	83
Continuation members (e.g. Retirees, widows, orphans)		9	8
Total Members		91	91
		2018 R	2017 R
The liability in respect of past service has been estimated to be as follows:			
In-service members		14 386 810	13 256 191
In-service non-members		-	-
Continuation members		5 042 775	4 640 000
Total Liability		19 429 585	17 896 191

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

LA Health
Key Health, and
SAMWU Med

The Current-service Cost for the ensuing year is estimated to be R917 489, whereas the Interest Cost for the next year is estimated to be R1 880 431.

	2018 %	2017 %
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	9.77%	9.99%
Health Care Cost Inflation Rate	7.52%	8.26%
Net Effective Discount Rate	2.09%	1.59%

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 63 years.

iv) Expected rate of salary increases

2018/2019 - 7% + additional 0,5% for employees who earn a basic salary of R9 000 or less.

The three-year Salary and Wage Collective Agreement ends on 30 June 2021.

	2018 R	2017 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	19 429 585	17 896 191
Fair value of plan assets	-	-
	<u>19 429 585</u>	<u>17 896 191</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	<u>19 429 585</u>	<u>17 896 191</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	17 896 191	15 618 446
Total expenses	2 488 097	2 020 324
Current service cost	948 938	827 765
Interest Cost	1 771 430	1 441 229
Benefits Paid	(232 271)	(248 670)
Actuarial (gains)/losses	(954 703)	257 421
Present value of fund obligation at the end of the year	<u>19 429 585</u>	<u>17 896 191</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

NAMA KHOI MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Sensitivity Analysis on the Accrued Liability on 30 June 2018

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Central Assumptions	0.014	0.005	0.019

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Health care inflation	1%	0.017	0.006	0.023	17.00%
Health care inflation	-1%	0.012	0.005	0.017	-14.00%
Post-retirement mortality	-1 year	0.015	0.005	0.020	3.00%
Average retirement age	-1 year	0.016	0.005	0.021	8.00%
Withdrawal Rate	-50%	0.013	0.005	0.018	-7.00%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2019

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	917 500	1 880 400	2 797 900

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation	1%	1 109 100	2 211 600	3 320 700	19.00%
Health care inflation	-1%	765 400	1 612 500	2 377 900	-15.00%
Post-retirement mortality	-1 year	948 500	1 944 500	2 893 000	3.00%
Average retirement age	-1 year	962 900	2 026 200	2 989 100	7.00%
Withdrawal Rate	-50%	825 700	1 739 900	2 565 600	-8.00%

	2018 Rm	2017 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / Loss	0.001	0.003
Assets: Gain / (Loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2016 Rm	2015 Rm	2014 Rm
Liabilities: (Gain) / Loss	(1.593)	(1.085)	0.241
Assets: Gain / (Loss)	-		
	2018 R	2017 R	

14.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 248 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R398 847 whereas the Interest Cost for the next year is estimated to be R423 143.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Key actuarial assumptions used:	2018 %	2017 %
i) Rate of interest		
Discount rate	8.49%	8.36%
General Salary Inflation (long-term)	6.12%	6.18%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	2.23%	2.05%

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	5 272 877	5 262 103
Fair value of plan assets	-	-
	<u>5 272 877</u>	<u>5 262 103</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	<u>5 272 877</u>	<u>5 262 103</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	5 262 103	4 722 398
Total expenses	314 310	538 025
Current service cost	414 604	431 452
Interest Cost	401 718	382 991
Benefits Paid	(502 012)	(276 418)
Actuarial (gains)/losses	(303 536)	1 680
Present value of fund obligation at the end of the year	<u>5 272 877</u>	<u>5 262 103</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

Sensitivity Analysis on the Accrued Liability on 30 June 2018

Assumption	Change	Liability (Rm)	% change
Central assumptions		5.273	
General salary inflation	1%	5.583	6.00%
General salary inflation	-1%	4.989	-5.00%
Average retirement age	-2 yrs	4.854	-8.00%
Average retirement age	2 yrs	5.699	8.00%
Withdrawal rates	-50%	5.971	13.00%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2019

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	398 800	423 100	821 900

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation	1%	426 100	449 500	875 600	7%
Health care inflation	-1%	374 100	399 100	773 200	-6%
Discount rate	1%	376 400	444 700	821 100	0%
Discount rate	-1%	423 900	398 100	822 000	0%
Post-retirement mortality	-1 year	369 100	387 600	756 700	-8%
Average retirement age	-1 year	432 400	459 300	891 700	8%
Withdrawal Rate	-50%	469 000	482 400	951 400	16%
				2018 Rm	2017 Rm

Experience adjustments were calculated as follows:

Liabilities: (Gain) / Loss	(0.304)	0.001
Assets: Gain / (Loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2016 Rm	2015 Rm	2014 Rm
Liabilities: (Gain) / Loss	0.385	(0.422)	0.203
Assets: Gain / (Loss)	-	-	-

14.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

LA RETIREMENT FUND (PREVIOUSLY CAPE JOINT PENSION FUND)

The contribution rate payable is 9%, by the members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2017 revealed that the fund has a funding level of 102,6% (30 June 2016 - 103,5%).

	2018 R	2017 R
Contributions paid recognised in the Statement of Financial Performance	29 111	1 740 256

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
<u>DEFINED CONTRIBUTION FUNDS</u>		
Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.		
Contributions paid recognised in the Statement of Financial Performance		
Municipal Councillors Pension Fund	364 193	309 038
Consolidated Retirement Fund	1 610 637	26 429
Umbrella Pension Fund	632 683	640 237
SAMWU National Provident Fund	5 278 116	5 006 189
	<u>7 885 629</u>	<u>5 981 893</u>
15. CONSUMER DEPOSITS		
Electricity	1 466 353	1 458 935
Rental Properties	9 175	9 629
Water	1 648 862	1 529 685
Library Books	1 839	-
Total Consumer Deposits	<u>3 126 230</u>	<u>2 998 249</u>
The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.		
Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding amount.		
16. PROVISIONS		
Current Portion of Rehabilitation of Landfill Sites - Note 13	12 294 004	9 169 630
Total Provisions	<u>12 294 004</u>	<u>9 169 630</u>
The movement in current provisions are reconciled as follows:		
16.1 <u>Rehabilitation of Landfill Sites</u>		
Balance at beginning of year	9 169 630	1 031 714
Transfer from non-current	-	-
Contribution to provision	3 124 374	8 137 916
Expenditure incurred	-	-
Balance at end of year	<u>12 294 004</u>	<u>9 169 630</u>
17. CURRENT EMPLOYEE BENEFITS		
Staff Bonuses	1 779 824	1 695 990
Staff Leave	5 773 750	5 083 541
Shortfall in Cape Joint Pension Fund	302 338	302 338
Current Portion of Non-Current Provisions	963 647	1 255 367
Current Portion of Post Retirement Benefits - Note 14	373 910	318 368
Current Portion of Long-Service Provisions - Note 14	589 737	936 999
Total Provisions	<u>8 819 559</u>	<u>8 337 236</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The movement in current provisions are reconciled as follows:

	2018 R	2017 R
17.1 <u>Staff Bonuses</u>		
Balance at beginning of year	1 695 990	1 706 954
Contribution to current portion	4 044 705	4 249 279
Expenditure incurred	(3 960 871)	(4 260 242)
Balance at end of year	1 779 824	1 695 990
Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.		
17.2 <u>Staff Leave</u>		
Balance at beginning of year	5 083 541	4 909 328
Contribution to current portion	1 790 568	1 011 034
Expenditure incurred	(1 100 359)	(836 821)
Balance at end of year	5 773 750	5 083 541
Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.		
17.3 <u>Shortfall in Cape Joint Pension Fund</u>		
Balance at beginning of year	302 338	302 338
Balance at end of year	302 338	302 338

Actuaries have investigate the investment return of the Fund for the year ended 30 June 2009. It was reported that the established investment return was -0.94%. Local authorities, including the Municipality, associated with the fund are under an obligation to contribute pro-rata to the fund such a sum as will make up for any shortfall between the actual earnings and an investment return of 5.5% on all its assets. Provision is made for the pro-rata portion owed by the Municipality.

For more information regarding the provisions for Post Retirement Benefits and Long-term Service Awards - Refer to Note 14 to the Financial Statements.

18. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	207 289 217	188 679 316
Control, Clearing and Interface Accounts	3 833 196	3 501 097
Other Payables	6 560 572	5 857 906
Retentions	2 888 707	1 345 918
Correction of Error - Note 46.3	-	125 055
Total Trade Payables	220 571 693	199 509 292

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Other payables include Hall, Builders and Housing Deposits.

NAMA KHOI MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
19. UNSPENT TRANSFERS AND SUBSIDIES		
Unspent Transfers and Subsidies	13 402 799	1 889 532
National Government Grants	7 252 899	-
Provincial Government Grants	6 109 538	1 849 170
District Municipality	-	-
Other Sources	40 362	40 362
Less: Unpaid Transfers and Subsidies	-	-
National Government Grants	-	-
Provincial Government Grants	-	-
District Municipality	-	-
Other Sources	-	-
Total Unspent Transfers and Subsidies	13 402 799	1 889 532
See appendix "D" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.		
Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.		
20. TAXES		
20.1 VAT Payable	731 663	2 222 680
VAT Output in Suspense	-	-
Less: Contribution to Provision for Doubtful Debt Impairment	-	-
Total VAT Payable	731 663	2 222 680
20.2 VAT Receivable	(11 864 835)	(9 950 910)
VAT Input in Suspense	24 188 439	19 333 623
Total VAT Receivable	12 323 604	9 382 713
20.3 Net VAT (Payable)/Receivable	13 055 267	11 605 393
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.		
21. SHORT-TERM BORROWINGS		
The Municipality has no short term borrowings.		
22. NET ASSET RESERVES		
RESERVES	(0)	144 993
Capital Replacement Reserve	(0)	144 993
Total Net Asset Reserve and Liabilities	(0)	144 993
22.1 The Capital Replacement Reserve is used to finance future capital expenditure from own funds.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
23. PROPERTY RATES		
<u>Actual</u>		
Rateable Land and Buildings	48 958 749	45 697 982
Less: Revenue Forgone	(3 793 134)	(3 424 788)
Total Property Rates	45 165 614	42 273 194
<u>Valuations - 1 July 2017</u>		
Rateable Land and Buildings	2 911 492 800	2 880 131 000
Business and Commercial Property	736 732 000	731 897 500
Municipal Properties	2 387 500	7 053 500
Residential Properties	1 609 098 300	1 598 131 000
Agricultural Property	538 197 500	497 159 000
Other Categories	25 077 500	45 890 000
Total Assessment Rates	2 911 492 800	2 880 131 000
Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.		
Basic Rate		
Residential	0,01793c/R	0,01724 c/R
Commercial	0,024680 c/R	0,023730 c/R
Industrial, Agricultural and Casino	0,000770 c/R	0,000740 c/R
Rebates were granted on land with buildings used solely for dwellings purposes as follows:		
Residential -	The first R15 000 on the valuation is exempted.	
Indigents -	10%	
Pensioners -	20%	
Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		
24. GOVERNMENT GRANTS AND SUBSIDIES		
Government Grants and Subsidies - Operating	44 765 962	42 999 228
Equitable Share	40 403 000	38 291 269
Expanded Public Works Programme Integrated Grant	1 000 000	986 622
Local Government Financial Management Grant	2 145 000	1 810 000
Libraries, Archives and Museums	1 217 962	1 785 035
Tourism	-	36 558
Namakwa DM	-	-
LG SETA	-	89 744
Government Grants and Subsidies - Capital	24 821 101	13 467 939
Integrated National Electrification Programme Grant	5 283 476	1 500 000
Municipal Infrastructure Grant	14 774 000	11 327 000
Expanded Public Works Programme Integrated Grant	-	13 378
Libraries, Archives and Museums	-	127 561
Urban Settlements Development Grant	-	-
Namakwa DM	-	500 000
Water Services Infrastructure Grant	4 763 625	-
Total Government Grants and Subsidies	69 587 063	56 467 167

NAMA KHOI MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
Included in above are the following grants and subsidies received:		
<u>Unconditional</u>	40 403 000	38 291 269
Equitable Share	40 403 000	38 291 269
<u>Conditional</u>	29 184 063	18 175 898
Expanded Public Works Programme Integrated Grant	1 000 000	1 000 000
Local Government Financial Management Grant	2 145 000	1 810 000
Libraries, Archives and Museums	1 217 962	1 912 596
Tourism	-	36 558
Namakwa DM	-	500 000
LG SETA	-	89 744
Integrated National Electrification Programme Grant	5 283 476	1 500 000
Municipal Infrastructure Grant	14 774 000	11 327 000
Water Services Infrastructure Grant	4 763 625	-
Total Government Grants and Subsidies	69 587 063	56 467 167

Revenue recognised per vote as required by Section 123 (c) of the MFMA:

Equitable share	40 403 000	38 291 269
Executive & Council	-	-
Finance and Administration	2 145 000	2 540 683
Community & Social Services	1 217 962	1 821 593
Road Transport	1 000 000	986 622
Energy Sources	5 283 476	1 500 000
Water Management	4 763 625	-
Waste Water Management	14 774 000	11 327 000
Total Government Grants and Subsidies	69 587 063	56 467 167

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

24.1 Equitable Share

Opening balance	-	-
Correction of Error	-	-
Grants received	40 403 000	38 291 269
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(40 403 000)	(38 291 269)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

24.2 Local Government Financial Management Grant (FMG)

Opening balance	-	-
Correction of Error	-	-
Grants received	2 145 000	1 810 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(2 145 000)	(1 810 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
24.3 <u>Municipal Infrastructure Grant (MIG)</u>		
Opening balance	-	-
Correction of Error	-	-
Grants received	14 774 000	11 327 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(14 774 000)	(11 327 000)
Conditions still to be met	-	-
The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.		
24.4 <u>Integrated National Electrification Grant</u>		
Opening balance	-	-
Correction of Error	-	-
Grants received	12 300 000	1 500 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(5 283 476)	(1 500 000)
Conditions still to be met	7 016 524	-
The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
24.5 <u>Library Grant</u>		
Opening balance	473 713	421 188
Correction of Error	-	-
Grants received	850 000	1 965 121
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 217 962)	(1 785 035)
Conditions met - Capital	-	(127 561)
Conditions still to be met	105 751	473 713
The grant was used to finance library activities.		
24.6 <u>Expanded Public Works Programme (EPWP)</u>		
Opening balance	-	-
Correction of Error	-	-
Grants received	1 000 000	1 000 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 000 000)	(986 622)
Conditions met - Capital	-	(13 378)
Conditions still to be met	-	-
The grant was used for job creation.		
24.7 <u>Wade Project</u>		
Opening balance	40 362	40 362
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	40 362	40 362
The grant was used for water infrastructure projects in the Buffelsriver.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

24.8 Department of Water Affairs (WSACDBP)

Opening balance	510 747	510 747
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>510 747</u>	<u>510 747</u>

The grant was allocated for the refurbishment of water infrastructure.

24.9 LG Seta

Opening balance	1 807	67 342
Correction of Error	-	-
Grants received	86 331	24 209
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(89 744)
Conditions met - Capital	-	-
Conditions still to be met	<u>88 138</u>	<u>1 807</u>

The grant was allocated for skills development.

24.10 Tourism

Opening balance	-	36 558
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(36 558)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>

The grant was allocated for tourism related activities.

24.11 Department Sport, Arts and Culture

Opening balance	308 500	308 500
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>308 500</u>	<u>308 500</u>

The grant was received for the building and maintenance of sport fields in the district.

24.12 Swimming Pool

Opening balance	450 000	450 000
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>450 000</u>	<u>450 000</u>

The grant was received for the building of a swimming pool in the area.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
24.13 <u>World Cup 2010</u>		
Opening balance	52 139	52 139
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>52 139</u>	<u>52 139</u>
The grant was allocated for activities of the 2010 Soccer World Cup.		
24.14 <u>Fire Equipment</u>		
Opening balance	52 264	52 264
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>52 264</u>	<u>52 264</u>
The grant was allocated for the maintenance and upgrade of fire equipment in the area of the		
24.15 <u>Namakwa DM</u>		
Opening balance	-	1 040 670
Correction of Error	-	(540 670)
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	(500 000)
Conditions still to be met	<u>-</u>	<u>-</u>
The grant was allocated for various projects.		
24.16 <u>Water Services Infrastructure Grant</u>		
Opening balance	-	-
Correction of Error	-	-
Grants received	5 000 000	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(4 763 625)	-
Conditions still to be met	<u>236 375</u>	<u>-</u>
The grant was used for water infrastructure projects.		
24.17 <u>Drought Relief</u>		
Opening balance	-	-
Correction of Error	-	-
Grants received	4 542 000	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>4 542 000</u>	<u>-</u>
The grant was used for water infrastructure projects.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
24.18 Total Grants		
Opening balance	1 889 532	2 979 770
Correction of Error	-	(540 670)
Grants received	81 100 331	55 917 599
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(44 765 962)	(42 999 228)
Conditions met - Capital	(24 821 101)	(13 467 939)
Conditions still to be met/(Grant expenditure to be recovered)	13 402 800	1 889 532
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	13 402 799	1 889 532
Unpaid Conditional Government Grants and Receipts	-	-
Total	13 402 799	1 889 532
25. PUBLIC CONTRIBUTIONS AND DONATIONS		
Donations	-	5 000
Total Public Contributions and Donations	-	5 000
26. LICENCES AND PERMITS		
Trading	96 606	80 921
Road and Transport	1 208 678	1 200 059
Total Licences and Permits	1 305 284	1 280 980
<u>Disclosed as follows:</u>		
Revenue from Non-Exchange Transactions	1 305 284	1 280 980
Revenue from Exchange Transactions	-	-
Total Licences and Permits	1 305 284	1 280 980
27. SERVICE CHARGES		
Electricity	73 323 392	70 056 266
Service Charges	74 076 037	70 910 648
Less: Revenue Forgone	(752 646)	(854 381)
Water	26 995 253	26 024 263
Service Charges	31 466 192	30 231 191
Less: Revenue Forgone	(4 470 939)	(4 206 928)
Waste Management	12 467 941	11 812 852
Service Charges	18 568 721	17 460 449
Less: Revenue Forgone	(6 100 781)	(5 647 597)
Waste Water Management	10 584 590	10 018 309
Service Charges	14 883 548	13 913 274
Less: Revenue Forgone	(4 298 959)	(3 894 965)
Total Service Charges	123 371 175	117 911 691

Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

NAMA KHOI MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
28. SALES OF GOODS AND RENDERING OF SERVICES		
Advertisements	-	6 399
Application Fees for Land Usage	7 633	16 740
Building Plan Approval	292 221	262 002
Buyers Card	-	17 544
Camping Fees	29 684	29 684
Cemetery and Burial	41 237	30 111
Fire Services	608	451
Membership Fees	30 361	28 239
Parking Fees	17 430	17 035
Photocopies and Faxes	14 557	19 104
Removal of Restrictions	12 902	5 133
Sale of Goods	50 346	44 556
Valuation Services	49 948	39 866
Total Sales of Goods and Rendering of Services	546 928	516 865
29. RENT ON LAND		
Land	968 579	950 125
Grazing Fees	968 579	950 125
Total Rent on Land	968 579	950 125
30. RENTAL FROM FIXED ASSETS		
Investment Property	433 830	548 175
Property, Plant and Equipment	1 285 760	1 206 687
Total Rental from Fixed Assets	1 719 590	1 754 863
31. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	431 673	403 467
Financial assets	896 264	703 624
Total Interest Earned - External Investments	1 327 937	1 107 091
32. INTEREST EARNED - EXCHANGE TRANSACTIONS		
Trade Receivables	1 821 213	1 426 691
Other Receivables	41 362	41 491
Total Interest Earned - Outstanding Receivables	1 862 575	1 468 183
33. OPERATIONAL REVENUE		
Administrative Handling Fees	13 843	16 831
Collection Charges	-	204
Commission	46 921	45 952
Insurance Refund	93 105	384 460
Registration Fees	-	101
Staff Recoveries	160 409	120 884
Total Operational Revenue	314 279	568 431

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
34. EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	51 205 523	51 235 830
Pension and UIF Contributions	8 110 527	7 859 407
Medical Aid Contributions	2 344 898	2 156 064
Overtime	4 024 865	4 630 806
Bonuses	4 044 705	4 249 279
Motor Vehicle Allowance	431 678	3 378 483
Cell Phone Allowance	169 427	139 666
Housing Allowances	3 891 538	1 324 728
Other benefits and allowances	2 684 784	2 599 726
Payments in lieu of leave	1 790 568	1 011 034
Post-retirement Benefit Obligations	1 295 351	1 259 217
Medical - Note 14.1	948 938	827 765
Current Service Cost	948 938	827 765
Long Service Awards - Note 14.2	414 604	431 452
Total Employee Related Costs	79 993 865	79 844 239
KEY MANAGEMENT PERSONNEL		
Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager</i>		
Annual Remuneration	903 319	618 469
Benefits and Allowances	253 981	140 216
Contributions to UIF, Medical and Pension Funds	1 785	1 813
Total	1 159 084	760 498
<i>Remuneration of the Chief Financial Officer</i>		
Annual Remuneration	251 999	660 837
Benefits and Allowances	460 825	235 162
Contributions to UIF, Medical and Pension Funds	8 064	18 729
Total	720 887	914 728
<i>Remuneration of Manager: Community Services</i>		
Annual Remuneration	-	-
Benefits and Allowances	48 069	66 096
Contributions to UIF, Medical and Pension Funds	-	-
Total	48 069	66 096
<i>Remuneration of Manager: Corporate Services</i>		
Annual Remuneration	-	-
Benefits and Allowances	47 110	66 000
Contributions to UIF, Medical and Pension Funds	-	-
Total	47 110	66 000
<i>Remuneration of Manager: Electrical Services</i>		
Annual Remuneration	-	-
Benefits and Allowances	20 289	178 552
Contributions to UIF, Medical and Pension Funds	-	-
Total	20 289	178 552
<i>Remuneration of Manager: Technical Services</i>		
Annual Remuneration	671 047	609 207
Benefits and Allowances	238 424	230 549
Contributions to UIF, Medical and Pension Funds	147 222	134 741
Total	1 056 693	974 497

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
35. REMUNERATION OF COUNCILLORS		
JE van den Heever	276 646	218 920
DA Markus	276 646	218 920
CE Gertze	276 646	218 920
R Kritzinger	276 646	245 296
S Kleinbooi	352 616	308 296
CG Coetzee	276 646	218 920
YL van Zyl	276 646	218 920
P van Reenen	276 646	218 920
GY Pieters	276 646	245 296
LF Faber	786 053	710 782
JD Joseph	637 003	510 464
SCJ van Wyk	343 469	300 711
ZP de Jongh	276 646	218 920
LL Vries	276 646	218 920
SH Ruiter	276 646	218 920
WS Jordaan	352 616	316 003
GJ Coetzee	276 646	245 296
SW Lubbe	-	25 248
EF Maritz	-	25 248
HS Apollis	-	31 766
SD Hoskin	-	25 248
KS Ventura	-	25 248
FX Cupido	-	33 875
G Cloete	-	25 248
WJ Goedeman	-	25 248
JF van Wyk	-	75 097
M Diedericks	-	25 248
Total Councillors' Remuneration	5 791 509	5 169 899

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor	486 035	186 313	40 800	72 905	786 053
Speaker	388 828	149 051	40 800	58 324	637 003
Executive Committee Members	437 220	155 908	81 600	30 504	705 232
Section 79 Committee Chairperson	197 393	75 667	40 800	29 609	343 469
Councillors	1 938 039	672 568	489 600	219 546	3 319 752
Total Councillors' Remuneration	3 447 515	1 239 507	693 600	410 888	5 791 509

In-kind Benefits

The Councillors occupying the positions of Mayor, Speaker and certain members of the Executive Committee of the municipality serve in a full-time capacity. They are provided with office accommodation and secretarial support at the expense of the municipality in order to enable them to perform their official duties

36. CONTRACTED SERVICES

Outsourced Services	1 373 279	305 425
Consultants and Professional Services	4 253 001	3 277 440
Contractors	11 413 212	14 575 686
Total Contracted Services	17 039 492	18 158 552

37. DEPRECIATION AND AMORTISATION

Property, Plant and Equipment	35 761 155	41 121 271
Intangible Assets	27 362	28 524
Investment Property carried at cost	-	-
Total Depreciation and Amortisation	35 788 517	41 149 795

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
38. FINANCE COSTS		
Long-term Borrowings	22 338	63 673
Non-current Employee Benefits	2 173 148	1 824 220
Payables	9 922 565	3 454 862
Total Finance Costs	12 118 051	5 342 755
39. BULK PURCHASES		
Electricity	64 570 202	61 408 444
Water	25 756 725	23 809 966
Total Bulk Purchases	90 326 926	85 218 410
40. OPERATIONAL COSTS		
Advertising, Publicity and Marketing	413 365	408 339
Assets less than the Capitalisation Threshold	9 021	55 569
Audit Fees	2 671 157	2 376 463
Bank Charges, Facility and Card Fees	675 945	611 788
Communication	2 066 797	2 489 778
Contribution to Provisions	4 118 636	1 551 817
Entertainment	1 200	-
External Computer Service	7 812 927	1 727 514
Hire Charges	356 690	328 021
Insurance Underwriting	576 486	403 008
Licences	-	1 457
Printing, Publications and Books	659 832	893 078
Professional Bodies, Membership and Subscription	1 649 749	1 663 450
Registration Fees	582 007	1 336 302
Remuneration to Ward Committees	402 759	365 400
Road Worthy Test	272 108	330 052
Travel and Subsistence	3 362 618	2 900 472
Uniform and Protective Clothing	510 617	525 039
Total Operational Costs	26 141 911	17 967 548
41. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES		
Non-Current Receivables from Non-Exchange Transactions	(2 598 974)	(925 489)
Receivables from Exchange Transactions	(16 563 123)	(19 862 671)
Receivables from Non-exchange Revenue	(6 141 137)	(6 764 880)
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	(25 303 234)	(27 553 040)
42. GAINS/(LOSS) ON SALE OF FIXED ASSETS		
Property, Plant and Equipment	(1 019)	(8 070 528)
Total Gains/ (Loss) on Sale of Fixed Assets	(1 019)	(8 070 528)
43. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON FIXED ASSETS		
Intangible Assets	-	(947)
Property, Plant and Equipment	-	(843 305)
	-	(844 253)
Less: Allocated against Provision for Rehabilitation of Landfill-Sites - Note 13		
Total Reversal of Impairment Loss/ (Impairment Loss) on Fixed Assets	-	(844 253)
44. WATER LOSSES		
Real Losses	5 639 687	6 420 017
Total Water Losses	5 639 687	6 420 017

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
45. RECLASSIFICATION OF ITEMS IN THE FINANCIAL STATEMENTS AS A RESULT OF THE IMPLEMENTATION OF mSCOA		
<p>The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has realigned items in the financial statements with the Item Segment of mSCOA. The result of this process was a reclassification and naming of items in the financial statements. The reclassification of 2017 audited amounts can be summarised as follows:</p>		
Statement of Financial Position	Balance previously reported	Restated Balance
Capital Replacement Reserve	-	144 993
Accumulated Surplus/(Deficit)	600 058 176	599 646 131
Finance Lease Obligation	17 238	-
Long-term Borrowings	-	17 238
Non-current Provisions	16 558 256	16 558 255
Non-Current Employee Benefit Obligation	21 902 927	-
Non-current Employee Benefits	-	21 902 927
Consumer Deposits	2 988 620	2 998 249
Provisions	9 169 630	9 169 630
Employee Benefit Obligation	1 557 705	-
Current Employee Benefits	-	8 337 236
Payables from exchange transactions	206 173 397	-
Trade and Other Payables from Exchange Transactions	-	199 384 236
Unspent Conditional Grants and Receipts	1 889 532	-
Unspent Transfers and Subsidies	-	1 889 530
Current Portion of Finance Lease Obligation	250 811	-
Current Portion of Long-term Borrowings	-	250 811
Property, Plant and Equipment	656 226 047	656 226 045
Investment Property	123 444 704	123 444 704
Intangible Assets	92 518	92 518
Heritage Assets	1 038 799	1 038 799
Inventory	45 008 696	45 008 696
Receivables from exchange transactions	7 386 368	7 386 368
Receivables from non-exchange transactions	4 395 262	4 395 263
Operating Lease Asset	73 643	73 643
VAT Receivable	11 605 393	-
Taxes	-	11 605 393
Cash and Cash Equivalents	11 294 862	11 267 856
Short-term Investments	-	27 006
	(267 055)	

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Balance previously reported	Adjustments	Restated Balance
Statement of Financial Performance			
Property Rates	42 273 194	(0)	42 273 194
Government Grants and Subsidies	56 467 167	(0)	56 467 167
Public Contributions and Donations	-	5 000	5 000
Fines	425 104	(425 104)	-
Fines, Penalties and Forfeits	-	426 444	426 444
Interest Earned - Non-exchange Transactions	-	5 144 715	5 144 715
Licences and Permits	-	1 280 980	1 280 980
Service Charges	117 289 694	621 997	117 911 691
Sales of Goods and Rendering of Services	-	516 865	516 865
Rental Income	1 808 660	(1 808 660)	-
Rent on Land	-	950 125	950 125
Rental from Fixed Assets	-	1 754 863	1 754 863
Interest Received	7 719 988	(7 719 988)	-
Interest Earned - external investments	-	1 107 091	1 107 091
Interest Earned - Exchange Transactions	-	1 468 183	1 468 183
Licences and Permits	1 365 278	(1 365 278)	-
Agency Services	1 325 906	(0)	1 325 906
Other Income	2 993 342	(2 993 342)	-
Operational Revenue	-	568 431	568 431
Employee related costs	(81 670 073)	1 825 834	(79 844 239)
Remuneration of Councillors	(5 164 653)	(5 246)	(5 169 899)
Debt Impairment	(27 553 040)	27 553 040	-
Contracted Services	(9 585 485)	(8 573 067)	(18 158 552)
Depreciation and Amortisation	(41 149 795)	0	(41 149 795)
Actuarial Gains/(Loss)	(259 101)	259 101	-
Actuarial Losses	-	(259 101)	(259 101)
Finance Costs	(3 518 535)	(1 824 220)	(5 342 755)
Finance Cost - Non-Current Liabilities	(1 551 817)	1 551 817	-
Bulk Purchases	(91 638 427)	6 420 017	(85 218 410)
Inventory Consumed	-	(6 908 659)	(6 908 659)
Operating Leases	-	8 085	8 085
General Expenses	(31 946 753)	31 946 753	-
Operational Costs	-	(17 967 548)	(17 967 548)
Inventories Losses/Write-downs	(8 356)	8 356	-
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	-	(8 356)	(8 356)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	-	(27 553 040)	(27 553 040)
(Loss)/Gain on Disposal of Assets and Liabilities	(8 485 406)	8 485 406	-
Gains/(Loss) on Sale of Fixed Assets	-	(8 070 528)	(8 070 528)
Impairment loss/ Reversal of Impairments	(843 306)	843 306	-
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	-	(844 253)	(844 253)
Net Surplus/(Deficit) for the year	(71 706 413)	0	(71 706 414)

46. CORRECTION OF ERROR IN TERMS OF GRAP 3

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

	2018 R	2017 R
46.1 Receivables from Exchange Transactions		
Balance previously reported	-	7 386 368
Correction of Consumer Accounts - Note 9	-	(167 733)
Restated Balance	-	7 218 635
Correction of Consumer Accounts.		
46.2 Cash and Cash Equivalents		
Balance previously reported	-	11 267 856
Correction of bank reconciliation in periods prior to 1 July 2016 - Note 11	-	25 733
Restated Balance	-	11 293 589
Correction of bank reconciliation in prior years.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
46.3 Trade and Other Payables from Exchange Transactions		
Balance previously reported	-	199 384 236
Correction of SARS Account in periods prior to 1 July 2016 - Note 18	-	125 055
Restated Balance	-	199 509 292

Correction of Sundry Creditors accounts.

46.4 Accumulated Surplus/(Deficit) - 1 July 2016		
Correction of bank reconciliation in periods prior to 1 July 2016 - Note 46.2	-	25 733
Correction of Consumer Accounts - Note 46.1	-	(167 733)
Correction of SARS Account in periods prior to 1 July 2016 - Note 46.3	-	(125 055)
Total	-	(267 055)

46.5 Changes to Statement of Financial Performance

Movement on operating account as a result of GRAP standards not implemented in prior years:

	Note	Balance previously reported	Adjustments	Restated Balance
Revenue				
Property Rates		42 273 194	-	42 273 194
Government Grants and Subsidies		56 467 167	-	56 467 167
Public Contributions and Donations		5 000	-	5 000
Actuarial Gains		(0)	0	-
Fines, Penalties and Forfeits		426 444	-	426 444
Interest Earned - Non-exchange Transactions		5 144 715	-	5 144 715
Licences and Permits from Non-Exchange Transactions		1 280 980	-	1 280 980
Service Charges		117 911 691	-	117 911 691
Sales of Goods and Rendering of Services		516 865	-	516 865
Rent on Land		950 125	-	950 125
Rental from Fixed Assets		1 754 863	-	1 754 863
Interest Earned - External Investments		1 107 091	-	1 107 091
Interest Earned - Exchange Transactions		1 468 183	-	1 468 183
Agency Services		1 325 906	-	1 325 906
Operational Revenue		568 431	-	568 431
Total		231 200 652	0	231 200 653
Expenditure				
Employee Related Costs		(79 844 239)	-	(79 844 239)
Remuneration of Councillors		(5 169 899)	-	(5 169 899)
Contracted Services		(18 158 552)	-	(18 158 552)
Depreciation and Amortisation		(41 149 795)	-	(41 149 795)
Finance Costs		(5 342 755)	-	(5 342 755)
Bulk Purchases		(85 218 410)	-	(85 218 410)
Inventory Consumed		(6 908 659)	-	(6 908 659)
Operating Leases		8 085	-	8 085
Operational Costs		(17 967 548)	-	(17 967 548)
Total		(260 010 873)	-	(260 010 873)
Gains and Losses				
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value		(8 356)	-	(8 356)
Reversal of Impairment Loss/(Impairment Loss) on Receivables		(27 553 040)	-	(27 553 040)
Gains/(Loss) on Sale of Fixed Assets		(8 070 528)	-	(8 070 528)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets		(844 253)	-	(844 253)
Water Losses		(6 420 017)	-	(6 420 017)
Total		(42 896 194)	-	(42 896 194)
Net Surplus/(Deficit) for the year		(71 706 414)	0	(71 706 414)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
47. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	(50 506 221)	(71 706 414)
Adjustments for:		
Depreciation and Amortisation	35 788 517	41 569 950
Loss/(Gain) on Sale of Fixed Assets	1 019	8 484 458
Impairment Loss/(Reversal of Impairment Loss)	-	843 305
Government Grants and Subsidies received	81 100 331	55 917 599
Government Grants and Subsidies recognised as revenue	(69 587 063)	(56 467 167)
Contribution to provisions – Non-Current Provisions	6 131 522	2 365 666
Contribution from/to provisions - Current Employee Benefits	774 043	-
Contribution from/to provisions - Non-Current Employee Benefits	2 915 310	2 558 349
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	-	259 101
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(1 371 142)	-
Contribution to provisions – Bad Debt	22 704 260	27 553 041
Inventory Losses	-	8 356
Operating lease income accrued	26 982	16 325
Operating Surplus/(Deficit) before changes in working capital	27 977 559	11 402 569
Changes in working capital	(2 825 017)	(126 480)
Increase/(Decrease) in Trade and Other Payables	21 062 401	25 014 175
Increase/(Decrease) in Taxes	(1 449 874)	(1 528 600)
(Increase)/Decrease in Inventory	118 393	(57 060)
(Increase)/Decrease in Trade Receivables from Exchange Transactions	(16 184 991)	(18 760 228)
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	(6 370 947)	(4 794 767)
Cash generated/(absorbed) by operations	25 152 541	11 276 089
48. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 11	(2 384 317)	3 114 230
Call Deposits and Investments - Note 11	16 057 673	8 195 766
Cash Floats - Note 11	28 600	10 600
Total cash and cash equivalents	13 701 957	11 320 596
49. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 48	13 701 957	11 320 596
Less:	(13 402 799)	(1 889 532)
Unspent Transfers and Subsidies - Note 19	(13 402 799)	(1 889 532)
Net cash resources available for internal distribution	299 158	9 431 064
Allocated to:		
Capital Replacement Reserve	0	(144 993)
Employee Benefits Reserve	-	-
Social Contribution Reserve	-	-
Non-Current Provisions Reserve	-	-
Valuation Reserve	-	-
Resources available for working capital requirements	299 158	9 286 071
50. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 12	20 238	268 049
Used to finance property, plant and equipment - at cost	(20 238)	(268 049)
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

	2018 R	2017 R
51. BUDGET INFORMATION		
51.1 Explanation of variances between approved and final budget amounts		
Explanation of variances greater than 10%: Final Budget and Actual Amounts		
51.2 Statement of Financial Position		
51.2.1 Current Assets		
Cash		
<i>Cash and Cash Equivalents transferred to Call Investments.</i>		
Call Investment Deposits		
<i>Grant Funding invested on Call Accounts.</i>		
Consumer Debtors		
<i>Property Rates Debtors disclosed under Other Debtors.</i>		
Other Debtors		
<i>Property Rates Debtors disclosed under Other Debtors.</i>		
Inventory		
<i>Land available for sale.</i>		
51.2.2 Non-Current Assets		
Investment Property		
<i>Reconstructing of Asset Register.</i>		
Property, Plant and Equipment		
<i>Reconstructing of Asset Register.</i>		
Intangible Assets		
<i>Reconstructing of Asset Register.</i>		
51.2.3 Current Liabilities		
Bank Overdraft		
<i>Outstanding payments on year-end.</i>		
Borrowing		
<i>Short-term portion of Finance Leases.</i>		
Trade and Other Payables		
<i>Increase in Payables.</i>		
Provisions		
<i>Increase in short-term portion of Non-Current Provisions.</i>		
51.2.4 Non-Current Liabilities		
Provisions		
<i>Payables outstanding for more than 12 months.</i>		
51.2.5 Net Assets		
Accumulated Surplus/(Deficit)		
<i>Nett effect of all results.</i>		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Statement of Financial Performance

51.2.6 Revenue

Rental of Facilities and Equipment

Increase in rental income.

Interest Earned - Outstanding Debtors

Non-payment of consumer accounts.

Fines

Decrease in fines issued.

Gains on Disposal of PPE

Sale of vacant land still in progress.

Transfers Recognised - Capital

Unspent capital grants.

51.2.7 Expenditure

Debt Impairment

Increase in debt impairment due to non-payment of consumers.

Depreciation and Asset Impairment

Reconstructing of Asset Register.

Finance Charges

Increase in interest paid to Suppliers.

Contracted Services

Reclassification of expenditure in terms of mSCOA.

Other Expenditure

Reclassification of expenditure in terms of mSCOA.

Cash Flow Statement

51.2.8 Net Cash from Operating Activities

Service Charges

Non-payment of consumers.

Finance costs

Increase in interest paid to Suppliers.

51.2.9 Net Cash from Investing Activities

Proceeds on disposal of PPE

Sale of vacant land still in progress.

Capital Assets

Underspent of capital budget.

51.2.10 Net Cash from Financing Activities

Increase/(Decrease) in Consumer Deposits

Less new consumers.

Repayment of Borrowing

Repayment of Finance Lease.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

		2018 R	2017 R
52	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
52.1	Unauthorised expenditure		
	Reconciliation of unauthorised expenditure:		
	Opening balance	254 578 098	233 144 124
	Unauthorised expenditure current year - operational	32 156 384	21 433 974
	Unauthorised expenditure current year - capital	-	-
	Approved by Council or condoned	-	-
	Transfer to receivables for recovery	-	-
	Unauthorised expenditure awaiting authorisation	286 734 482	254 578 098

Unauthorised expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Over expenditure of approved operating budget - Prior to 1 July 2017	None	233 144 124	233 144 124
Over expenditure of approved operating budget - 2017	None	21 433 974	21 433 974
Over expenditure of approved operating budget - 2018	None	32 156 384	
		286 734 482	254 578 098

	2018 Actual R	2018 Final Budget R	2018 Variance R	2018 Unauthorised R
Unauthorised expenditure current year - operating				
Municipal Manager	19 948 921	20 124 495	(175 574)	-
Financial Services	59 408 021	33 904 089	25 503 932	25 503 932
Corporate Services	24 644 046	26 169 435	(1 525 389)	-
Community Services: Community Development	24 076 265	29 011 608	(4 935 343)	-
Community Services: Public Safety	7 886 003	8 536 794	(650 791)	-
Electrical Engineering Services	74 987 493	89 085 503	(14 098 010)	-
Infrastructure, Engineering & Technical Services	94 865 710	88 213 258	6 652 452	6 652 452
	305 816 460	295 045 182	10 771 278	32 156 384
			2018 R	2017 R

52.2 **Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

Opening balance	26 742 367	22 384 109
Fruitless and wasteful expenditure current year	9 922 566	4 358 258
Condoned or written off by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Fruitless and wasteful expenditure awaiting condonement	36 664 933	26 742 367

Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Creditors Interest Paid Prior to 1 July 2017	None	22 384 109	22 384 109
SA Post Office Interest Paid	None	10 256	5 434
MH Office Machines Interest Paid	None	732	519
Eskom Penalties Paid	None	14 200 783	4 308 889
Auditor General Interest Paid	None	57 332	42 308
Annuity Loans Interest Paid	None	468	468
Fines Paid	None	640	640
Namaqua Gas Interest Paid	None	910	-
Telkom Interest Paid	None	5 988	-
G&C Petrol Interest Paid	None	3 654	-
Namandla Steel Interest Paid	None	61	-
		36 664 933	26 742 367

NAMA KHOI MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R												
52.3 Irregular expenditure														
Reconciliation of irregular expenditure:														
Opening balance	157 604 317	154 027 220												
Irregular expenditure current year	3 747 124	3 577 097												
Expenditure authorised i.t.o. Section 32 of MFMA		-												
Condonement supported by council		-												
Transfer to receivables for recovery - not condoned		-												
Irregular expenditure awaiting further action	161 351 441	157 604 317												
Irregular expenditure can be summarised as follow:														
<table><tr><th>Incident</th><th>Disciplinary steps/criminal proceedings</th></tr><tr><td>Irregular expenditure Prior to 1 July 2017</td><td>None</td></tr><tr><td>Supplier in service of the state</td><td>None</td></tr><tr><td>Expenditure contrary to SCM processes - No</td><td>None</td></tr><tr><td>Contract ammended contrary to section 116 of</td><td>None</td></tr><tr><td>October Wind Trading - Fuel & Oil (Only supplier available locally)</td><td>None</td></tr></table>	Incident	Disciplinary steps/criminal proceedings	Irregular expenditure Prior to 1 July 2017	None	Supplier in service of the state	None	Expenditure contrary to SCM processes - No	None	Contract ammended contrary to section 116 of	None	October Wind Trading - Fuel & Oil (Only supplier available locally)	None	154 027 220 46 208 3 430 889 100 000 3 747 124 161 351 441	154 027 220 46 208 3 430 889 100 000 - 157 604 317
Incident	Disciplinary steps/criminal proceedings													
Irregular expenditure Prior to 1 July 2017	None													
Supplier in service of the state	None													
Expenditure contrary to SCM processes - No	None													
Contract ammended contrary to section 116 of	None													
October Wind Trading - Fuel & Oil (Only supplier available locally)	None													
Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.														
53 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT														
53.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)														
Opening balance	995 840	828 440												
Council subscriptions	875 510	767 400												
Amount paid - current year	-	(600 000)												
Amount paid - previous years	(550 000)	-												
Balance unpaid (included in creditors)	1 321 350	995 840												
53.2 Audit fees - [MFMA 125 (1)(c)]														
Opening balance	978 632	-												
Current year audit fee	2 671 157	2 709 168												
External Audit - Auditor-General	2 671 157	2 709 168												
Amount paid - current year	(1 361 508)	(1 730 536)												
Amount paid - previous year	-	-												
Balance unpaid (included in creditors)	2 288 281	978 632												
53.3 VAT - [MFMA 125 (1)(c)]														
VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.														
53.4 PAYE and UIF - [MFMA 125 (1)(c)]														
Opening balance	948 829	859 883												
Current year payroll deductions	12 462 495	11 034 996												
Amount paid - current year	(11 224 657)	(10 946 050)												
Balance unpaid (included in creditors)	2 186 667	948 829												
53.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]														
Opening balance	974 586	905 907												
Current year payroll deductions and Council Contributions	16 598 251	15 749 163												
Amount paid - current year	(15 235 621)	(14 774 577)												
Amount paid - previous year	(974 586)	(905 907)												
Balance unpaid (included in creditors)	1 362 630	974 586												

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

53.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

The following Councillors had arrear accounts for more than 90 days as at 30 June 2018:

	Less than 90 days	More than 90 days
WS Jordaan	5 447	1 796
SH Ruiter	5 319	27 897
DA Markus	2 819	30 607
SJC van Wyk	-	2 175

53.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)

	Amount	Single Supplier	Type of Deviation		
			Impossible	Impractical	Emergency
July	310 641	-	-	231 510	79 131
August	1 301 513	70 191	-	415 022	816 301
September	1 455 163	197 109	-	389 136	868 918
October	796 793	6 441	-	521 533	268 819
November	1 076 097	10 474	-	578 246	487 377
December	968 977	5 620	-	426 952	536 405
January	643 097	32 299	-	220 898	389 900
February	1 247 230	273 163	-	563 561	410 506
March	622 131	12 857	-	588 197	21 077
April	929 628	31 147	-	259 760	638 721
May	1 229 649	81 758	-	538 128	609 912
June	1 343 173	6 312	-	481 806	855 054
	<u>11 924 092</u>	<u>727 371</u>	<u>-</u>	<u>4 983 238</u>	<u>5 902 992</u>

53.8 Material losses**Electricity distribution losses**

Units purchased (Kwh)	60 643 720	62 073 018
Units lost during distribution (Kwh)	8 795 168	9 448 570
Percentage lost during distribution	14.50%	15.22%
Distribution loss (Rand Value)	5 002 823	5 560 027

The reason for the increase in electricity losses is due to electricity theft on pre-paid meters.

Water distribution losses

Units purchased (ml)	1 974 646	2 002 553
Units lost during distribution (ml)	355 144	429 720
Percentage lost during distribution	17.99%	21.46%
Distribution loss (Rand Value)	5 639 687	6 420 017

Normal pipe bursts and field leakages are responsible for water losses.

54. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

	2018 R	2017 R
1% (2017: 1%) Increase in interest rates	13 321	18 196
1% (2017: 1%) Decrease in interest rates	(13 321)	(18 196)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 9 and 10 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 6 for balances included in receivables that were re-negotiated for the period under review.

	2018 %	2018 R	2017 %	2017 R
<u>Non-Current Receivables</u>				
Repay Arrangements	100.00%	4 401 704	100.00%	4 287 198
<u>Non-exchange Receivables</u>				
Rates	100.00%	31 285 569	100.00%	25 038 364
<u>Exchange Receivables</u>				
Electricity	32.79%	36 645 474	33.91%	31 621 177
Water	33.95%	37 938 142	33.67%	31 395 586
Property Rentals	2.29%	2 555 022	1.94%	1 813 048
Waste Management	18.93%	21 156 747	18.40%	17 155 499
Waste Water Management	9.12%	10 194 929	8.77%	8 174 274
Other	2.91%	3 253 551	3.31%	3 082 556
	100.00%	111 743 866	100.00%	93 242 140

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 9 and 10 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2018 %	2018 R	2017 %	2017 R
<u>Non-Current Receivables</u>				
Repay Arrangements	3.18%	4 401 704	3.79%	4 287 198
<u>Non-exchange Receivables</u>				
Rates	21.12%	29 260 320	20.41%	23 119 183
<u>Exchange Receivables</u>				
Services	75.71%	104 903 362	75.80%	85 855 771
	96.82%	138 565 387	96.21%	113 262 153

	Exchange Receivables	Non- exchange Receivables
<u>Ageing of amounts past due but not impaired are as follow:</u>		
2018		
1 month past due	3 586 965	1 339 130
2+ months past due	3 253 538	686 118
	6 840 503	2 025 248
2017		
1 month past due	4 412 025	1 167 833
2+ months past due	2 806 610	751 348
	7 218 635	1 919 181

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (ABSA Bank Limited). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (ABSA Bank Limited). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
Financial assets exposed to credit risk at year end are as follows:		
Non-Current Receivables from Exchange Transactions	4 401 704	4 287 198
Non-Current Receivables from Non-Exchange Transactions	-	-
Receivables from exchange transactions	111 743 866	93 074 407
Cash and Cash Equivalents	16 030 667	11 257 256
	<u>132 176 237</u>	<u>108 618 861</u>

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2018				
Long-term Liabilities	20 491	-	-	-
Trade and Other Payables	220 571 693	-	-	-
	<u>220 592 184</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2017				
Long-term Liabilities	270 149	20 491	-	-
Trade and Other Payables	199 509 292	-	-	-
	<u>199 779 440</u>	<u>20 491</u>	<u>-</u>	<u>-</u>
			2018 R	2017 R

55 FINANCIAL INSTRUMENTS

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

55.1 Financial Assets	Classification		
Non-Current Receivables			
Receivables with repay arrangements	Financial Instruments at amortised cost	4 401 704	4 287 198
Receivables from Exchange Transactions			
Electricity	Financial Instruments at amortised cost	36 645 474	31 621 177
Water	Financial Instruments at amortised cost	37 938 142	31 395 586
Property Rentals	Financial Instruments at amortised cost	2 555 022	1 813 048
Waste Management	Financial Instruments at amortised cost	21 156 747	17 155 499
Waste Water Management	Financial Instruments at amortised cost	10 194 929	8 174 274
Other Arrears	Financial Instruments at amortised cost	3 253 551	3 082 556
Cash and Cash Equivalents			
Bank Balances	Financial Instruments at amortised cost	-	3 087 224
Call Deposits	Financial Instruments at amortised cost	16 030 667	8 170 032
Total Financial Assets		<u>132 176 237</u>	<u>108 786 594</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

		2018 R	2017 R
Financial Instruments at amortised cost:			
Investments	Fixed Deposits	-	-
Long-term Receivables	Receivables with repay arrangements	4 401 704	4 287 198
Receivables from Exchange Transactions	Electricity	36 645 474	31 621 177
Receivables from Exchange Transactions	Water	37 938 142	31 395 586
Receivables from Exchange Transactions	Property Rentals	2 555 022	1 813 048
Receivables from Exchange Transactions	Waste Management	21 156 747	17 155 499
Receivables from Exchange Transactions	Waste Water Management	10 194 929	8 174 274
Receivables from Exchange Transactions	Other Arrears	3 253 551	3 082 556
Cash and Cash Equivalents	Bank Balances	-	3 087 224
Cash and Cash Equivalents	Call Deposits	16 030 667	8 170 032
		132 176 237	108 786 594
Total Financial Assets		132 176 237	108 786 594

55.2 **Financial Liabilities**

Classification

Long-term Liabilities

Capitalised Lease Liability	Financial Instruments at amortised cost	20 238	268 049
-----------------------------	---	--------	---------

Trade and Other Payables

Trade Payables	Financial Instruments at amortised cost	207 289 217	188 679 316
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	3 833 196	3 501 097
Other Payables	Financial Instruments at amortised cost	6 560 572	5 857 906
Retentions	Financial Instruments at amortised cost	2 888 707	1 345 918

Cash and Cash Equivalents

Bank Overdraft	Financial Instruments at amortised cost	2 384 317	-
		222 976 248	199 652 285

SUMMARY OF FINANCIAL LIABILITIES

Financial instruments at amortised cost:

Long-term Liabilities	Capitalised Lease Liability	20 238	268 049
Trade and Other Payables	Trade Payables	207 289 217	188 679 316
Trade and Other Payables	Control, Clearing and Interface Accounts	3 833 196	3 501 097
Trade and Other Payables	Other Payables	6 560 572	5 857 906
Trade and Other Payables	Retentions	2 888 707	1 345 918
Cash and Cash Equivalents	Bank Overdraft	2 384 317	-
		222 976 248	199 652 285

56. **STATUTORY RECEIVABLES**

In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:

Taxes

VAT Receivable	(11 864 835)	(9 950 910)
----------------	--------------	-------------

Receivables from Non-Exchange Transactions

Rates	32 625 043	26 373 788
Fines	31 285 569	25 038 364
	1 339 474	1 335 424

Total Statutory Receivables (before provision)

Less: Provision for Debt Impairment	-	-
--	---	---

Total Statutory Receivables (after provision)	20 760 207	16 422 878
--	-------------------	-------------------

57. **IN-KIND DONATIONS AND ASSISTANCE**

The Northern Cape: Provincial Treasury has assisted the municipality with asset management related services during the year. These services does not meet the recognition criteria in terms of GRAP 23, and are therefore only disclosed in the financial statements. The estimate value of the services amount to R3 544 032.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

58. PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

59. CONTINGENT LIABILITY

The municipality is currently engaged in the following litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions.

Nama Khoi Municipality / IMATU (obo R August)

Review in Labour court following dismissal. Review pending in Labour court. Set down 06/09/2018. Management's estimate of financial exposure - R50 000.

Nama Khoi Municipality / IMATU (obo R Petersen & Pier)

Urgent application: Exempting the Applicant from paying security. Management's estimate of financial exposure - R39,719.90

Nama Khoi Municipality / IMATU (obo R Petersen & Pier)

Review in Labour court following dismissal. Review pending in Labour court. Management's estimate of financial exposure - R120 000.

Nama Khoi Municipality vs D Titus

Urgent application: Exempting the Applicant from paying security. Management's estimate of financial exposure - R35 000.

Nama Khoi Municipality vs D Titus

Review in Labour court following dismissal. Review pending in Labour court. Management's estimate of financial exposure - R90 000.

60. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

60.1 Related Party Transactions

	Rates	Service Charges	Other	Outstanding Balance
Year ended 30 June 2018				
Councillors				
CW Markus	4 976	8 314	281	33 019
CE Gertze	645	6 498	498	393
L Vries	3 631	7 140	-	946
P Van Reenen	2 170	6 187	-	912
WS Jordaan	34 614	19 485	-	4 650
R Kritziner	13 564	15 837	-	899
S Kleinbooi	2 359	9 316	217	1 122
J Van den Heever	2 349	7 442	-	582
LF Faber	825	6 878	-	606
SJ Van Schalkwyk	1 273	8 707	-	1 591
SH Ruiter	2 600	4 678	-	515
GJ Coetzee	1 210	8 759	-	638
ZP De Jongh	3 129	7 273	-	1 209
S Van Wyk	1 012	7 433	-	3 902
S Kleinbooi -Dessert Inn	25 556	191 286	-	20 186
SH Ruiter -Guest House	4 430	21 368	-	43 386
WS Jordaan Wonic	-	53 510	-	22 834
	104 342	390 112	995	137 392
Municipal Manager and Managers directly accountable to Municipal Manager				
R Hartley	14 954	8 598	-	1 867
WJ Bowers	9 783	13 476	-	1 843
J Cloete	6 016	9 500	-	1 145
BJ Love	9 372	11 703	-	1 974
DC Maarmann	1 170	904	-	628
	41 295	44 180	-	7 457

NAMA KHOI MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Year ended 30 June 2017	Rates	Service Charges	Other	Outstanding Balance
Councillors	-	-	-	-
CW Markus	4 581	13 830	-	36 478
CE Gertze	593	3 101	-	350
L Vries	2 640	2 347	-	786
P Van Reenen	1 912	7 270	-	776
WS Jordaan	33 282	18 790	-	4 282
EF Maritz	231	689	-	-
FX Cupido	339	647	-	-
R Kritziner	13 042	31 643	-	2 336
S Kleinbooi	2 474	9 763	203	953
G Cloete	601	563	-	-
SD Hoskin	38	342	-	-
WJ Goedeman	116	184	-	-
J Van den Heever	2 071	4 959	-	554
LF Faber	6 085	793	-	572
M Diedericks	54	451	-	-
SJC Van Wyk	1 224	8 532	-	747
JF van Wyk	352	668	-	-
SH Ruiter	2 292	5 627	-	491
HS Apollis	164	415	-	-
GJ Coetzee	1 164	9 191	-	702
S Van Wyk	973	7 153	-	5 920
ZP De Jongh	2 758	3 587	-	-
	76 984	130 543	203	54 948
Municipal Manager and Section 57 Employees				
SM Titus	-	-	-	-
BB Williams	1 761	6 658	-	-
Trevor Beukes	-	-	-	-
WJ Bowers	12 542	24 477	-	1 671
J Cloete	5 766	15 340	-	1 108
BJ Love	11 965	24 641	-	1 727
A Beukes	1 891	5 006	-	-
R Hartley	14 378	21 986	-	1 824
Nozuku Mdaka	-	-	-	-
	48 304	98 108	-	6 330

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

60.2 Compensation of key management personnel

The compensation of key management personnel is set out in note 35 to the Annual Financial Statements.

60.3 Other related party transactions

The following purchases were made during the year where Councillors or staff have an interest:

Company Name	Related Party	Service Capacity	2018 R	2017 R
Uutkoms Takeaways	J Brandt	Nama Khoi Municipality - Sewerage	7 380	115 327
Rosy's Kitchen	J Louw	Department of Public Works	149 758	74 161
			157 138	189 488

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

61. FINANCIAL SUSTAINABILITY

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the vast distances between several settlements coupled with the social-economic profile (high unemployment rate) of Nama Khoi communities resulted in a serious risk for Nama Khoi Municipality's going concern.

Unless sustainable job creation is achieved, Nama Khoi Municipality will not be able to function as a going concern without Government Grants and Subsidies.

The municipality is experiencing difficulty to settle its current liabilities as its net current asset position is insufficient

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

62. EVENTS AFTER REPORTING PERIOD

No events after the reporting date were identified by management that would affect the operations of the Municipality or the results of those operations significantly.

APPENDIX A
NAMA KHOI MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2018

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2017	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2018
LEASE LIABILITY								
Nashua	10.00%	Various		268 049	-	-	(247 811)	20 238
Total Lease Liabilities				268 049	-	-	(247 811)	20 238
TOTAL EXTERNAL LOANS				268 049	-	-	(247 811)	20 238

APPENDIX B
NAMA KHOI MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2017 Actual Income R	2017 Actual Expenditure R	2017 Surplus/ (Deficit) R		2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R
			Governance and Administration			
1 343 096	(20 308 634)	(18 965 538)	Executive and council	1 407 405	(18 514 109)	(17 106 703)
91 996 276	(81 619 402)	10 376 874	Finance and administration	99 919 167	(95 418 949)	4 500 218
-	(1 134 868)	(1 134 868)	Internal audit	-	(1 170 129)	(1 170 129)
			Community and Public Safety			
3 153 142	(6 295 261)	(3 142 119)	Community and social services	2 338 582	(9 212 448)	(6 873 866)
557 924	(2 224 900)	(1 666 976)	Sport and recreation	47 789	(2 360 818)	(2 313 030)
-	(2 850 138)	(2 850 138)	Public safety	14 912	(2 702 892)	(2 687 980)
-	-	-	Housing	-	-	-
-	-	-	Health	-	-	-
			Economic and Environmental Services			
36 558	(9 537 366)	(9 500 808)	Planning and development	-	(1 092 000)	(1 092 000)
2 904 449	(50 577 721)	(47 673 272)	Road transport	2 367 614	(11 865 576)	(9 497 962)
-	-	-	Environmental protection	-	-	-
			Trading Services			
71 728 059	(74 240 768)	(2 512 708)	Energy sources	78 989 225	(74 987 493)	4 001 732
25 946 288	(36 800 221)	(10 853 933)	Water management	32 340 823	(37 735 028)	(5 394 206)
21 345 309	(7 594 503)	13 750 807	Waste water management	25 350 276	(38 593 175)	(13 242 899)
12 226 782	(9 878 114)	2 348 669	Waste management	12 473 800	(11 789 235)	684 565
117 597	-	117 597	Other	60 646	(374 607)	(313 961)
231 355 481	(303 061 895)	(71 706 414)	Sub Total	255 310 239	(305 816 460)	(50 506 221)
-	-	-	Less Inter-Departmental Charges	-	-	-
231 355 481	(303 061 895)	(71 706 414)	Total	255 310 239	(305 816 460)	(50 506 221)

APPENDIX C
NAMA KHOI MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018
MUNICIPAL VOTES CLASSIFICATIONS

2017 Actual Income R	2017 Actual Expenditure R	2017 Surplus/ (Deficit) R		2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R
			Municipal Manager			
119 670	(9 075 221)	(8 955 552)	Council General Administration	159 283	(8 772 687)	(8 613 404)
204	(11 230 912)	(11 230 708)	Office Ofthe Municipal Manager	-	(8 967 085)	(8 967 085)
1 437	(72 772)	(71 335)	Disaster Risk Management	608	(230 115)	(229 507)
-	(5 229)	(5 229)	Performance Management	-	(34 569)	(34 569)
-	(1 134 868)	(1 134 868)	Internal Auditing	-	(1 170 129)	(1 170 129)
-	-	-	Communication & Media	-	-	-
1 223 223	(2 501)	1 220 722	Planning And Development	1 248 122	(774 337)	473 786
36 558	(8 490 846)	(8 454 288)	Tourism, IDP & LED	-	-	-
			Financial Services			
			Accounting, Budget and Finance Management	3 172 144	(4 608 446)	(1 436 302)
2 898 085	(3 016 775)	(118 690)	Expenditure & Supply Chain	5 513	(10 984 873)	(10 979 360)
18 665	(4 366 922)	(4 348 257)	Income and Debtors	2 311 980	(565 636)	1 746 344
1 909 725	(616 572)	1 293 153	Manager: Financial Services	47 003 951	(43 249 066)	3 754 885
43 488 903	(42 768 431)	720 472	Property Rates and Valuation Services	45 165 614	-	45 165 614
42 273 194	(32 308)	42 240 886				
			Corporate Services			
			Administrative Support & Corporate Advice	-	-	-
-	-	-	Archival Services	-	-	-
(0)	(1 518 609)	(1 518 609)	Cleaning Services	(622 632)	(1 718 709)	(2 341 341)
(242 066)	(1 612 848)	(1 854 914)	Human Resources	1 388 572	(1 233 851)	154 720
-	-	-	Legal And Development Planning	-	-	-
89 961	(13 649 434)	(13 559 473)	Corporate Serv: Manager:	522	(12 654 267)	(12 653 746)
1 525 263	(682 409)	842 854	Municipal Property Management	1 474 783	(483 275)	991 508
24 901	(2 207 151)	(2 182 250)	Corporate Service: ICT	14 557	(8 553 944)	(8 539 386)
			Community Services: Community Development			
			Cemeteries	41 237	(479 399)	(438 162)
30 111	(380 230)	(350 120)	Commonage Farms	1 029 813	(728 504)	301 309
1 007 249	(1 515 921)	(508 672)	Environmental Health	-	-	-
-	(1 457)	(1 457)	Museum	-	(268 558)	(268 558)
-	(188 906)	(188 906)	Libraries & Information Services	1 077 241	(7 328 803)	(6 251 562)
1 929 849	(3 335 025)	(1 405 176)	Manager: Community Development	197 153	(746 341)	(549 187)
194 142	(1 289 566)	(1 095 424)	Municipal Airport	(7 913)	(374 607)	(382 520)
52 605	-	52 605	Parks and Open Areas	2 354	(2 150 174)	(2 147 820)
29 685	(2 082 786)	(2 053 101)	Refuse Removal and Waste Management	12 473 800	(11 789 235)	684 565
12 226 782	(9 878 114)	2 348 669	Sport Facilities	45 435	(210 644)	(165 209)
528 239	(142 114)	386 124				
			Community Services: Public Safety			
-	(747 463)	(747 463)	Emergency, Fire & Disaster	-	(776 002)	(776 002)
64 992	(2 449 581)	(2 384 589)	Law Enforcement Services	68 559	(2 365 245)	(2 296 686)
-	-	-	Municipal Pound	14 912	-	14 912
2 903 847	(4 435 377)	(1 531 530)	Traffic Services	2 367 614	(4 744 756)	(2 377 141)
-	-	-	Vehicle Testing and Licences	-	-	-
			Electrical Engineering Services			
71 728 059	(74 240 768)	(2 512 708)	Electrical Engineering Services	78 989 225	(74 987 493)	4 001 732
			Infrastructure, Engineering & Technical Services			
-	-	-	Building control and regulations	-	-	-
-	(976 926)	(976 926)	Manager: Infrastructure	-	(1 056 693)	(1 056 693)
(0)	(10 418 431)	(10 418 432)	Workshops	(3 307)	(10 435 609)	(10 438 916)
-	(935 281)	(935 281)	Project Management Unit	-	(981 077)	(981 077)
-	-	-	Public Toilets	-	-	-
602	(45 165 418)	(45 164 815)	Roads	-	(6 064 127)	(6 064 127)
10 018 309	(7 594 503)	2 423 807	Sewerage and Sanitation	25 350 276	(38 593 175)	(13 242 899)
11 327 000	-	11 327 000	Stormwater	-	-	-
-	-	-	Vehicle, Plant and Machinery	-	-	-
25 946 288	(36 800 221)	(10 853 933)	Water	32 340 823	(37 735 028)	(5 394 206)
231 355 481	(303 061 895)	(71 706 414)	Sub Total	255 310 239	(305 816 460)	(50 506 221)
-	-	-	Less Inter-Departmental Charges	-	-	-
231 355 481	(303 061 895)	(71 706 414)	Total	255 310 239	(305 816 460)	(50 506 221)

APPENDIX E
NAMA KHOI MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2017	Correction of Error	Restated Balance 30 June 2017	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2018	Unspent 30 June 2018 (Creditor)	Unpaid 30 June 2018 (Debtor)
<u>National Government Grants</u>											
Equitable Share	-	-	-	40 403 000	-	-	(40 403 000)	-	-	-	-
Finance Management Grant	-	-	-	2 145 000	-	-	(2 145 000)	-	-	-	-
Municipal System Improvement Grant	-	-	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	-	-	-	14 774 000	-	-	-	(14 774 000)	-	-	-
Integrated National Electrification Grant	-	-	-	12 300 000	-	-	-	(5 283 476)	7 016 524	7 016 524	-
Water Services Infrastructure Grant	-	-	-	5 000 000	-	-	-	(4 763 625)	236 375	236 375	-
Total National Government Grants	-	-	-	74 622 000	-	-	(42 548 000)	(24 821 101)	7 252 899	7 252 899	-
<u>Provincial Government Grants</u>											
Expanded Public Works Programme	-	-	-	1 000 000	-	-	(1 000 000)	-	-	-	-
Libraries, Archives and Museums	473 713	-	473 713	850 000	-	-	(1 217 962)	-	105 751	105 751	-
Department of Water Affairs -											
WSACDBP	510 747	-	510 747	-	-	-	-	-	510 747	510 747	-
LG SETA	1 807	-	1 807	86 331	-	-	-	-	88 138	88 138	-
Department Sport, Arts and Culture	308 500	-	308 500	-	-	-	-	-	308 500	308 500	-
Swimming Pool	450 000	-	450 000	-	-	-	-	-	450 000	450 000	-
World Cup 2010	52 139	-	52 139	-	-	-	-	-	52 139	52 139	-
Drought Relief	-	-	-	4 542 000	-	-	-	-	4 542 000	4 542 000	-
Fire Equipment	52 264	-	52 264	-	-	-	-	-	52 264	52 264	-
Total Provincial Government Grants	1 849 170	-	1 849 170	6 478 331	-	-	(2 217 962)	-	6 109 539	6 109 539	-
<u>Other Grant Providers</u>											
Wade Project	40 362	-	40 362	-	-	-	-	-	40 362	40 362	-
Total Other Grant Providers	40 362	-	40 362	-	-	-	-	-	40 362	40 362	-
Total Grants	1 889 532	-	1 889 532	81 100 331	-	-	(44 765 962)	(24 821 101)	13 402 800	13 402 800	-

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.

NAMA KHOI MUNICIPALITY - Reconciliation of Table A1 Budget Summary

Description	2017/18								2016/17			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	44 117	1 147	45 264	45 166		98	99.8%	102.4%				42 273
Service charges	130 189	(897)	129 292	123 371		5 921	95.4%	94.8%				117 290
Investment revenue	1 361	713	2 074	1 328		746	64.0%	97.6%				1 107
Transfers recognised - operational	44 441	(805)	43 636	44 766		(1 130)	102.6%	100.7%				43 140
Other own revenue	12 340	6 225	18 565	14 486		4 079	78.0%	117.4%				14 531
Total Revenue (excluding capital transfers and contributions)	232 447	6 383	238 830	229 117		9 713	95.9%	98.6%				218 341
Employee costs	82 830	(0)	82 830	78 623	-	4 207	94.9%	94.9%	-	-	-	81 670
Remuneration of councillors	5 368	0	5 368	5 792	-	(424)	107.9%	107.9%	-	-	-	5 165
Debt impairment	9 977	-	9 977	25 303	-	(15 326)	253.6%	253.6%	-	-	-	27 553
Depreciation & asset impairment	43 517	0	43 517	35 789	-	7 729	82.2%	82.2%	-	-	-	41 150
Finance charges	750	-	750	12 118	-	(11 368)	1615.7%	1615.7%	-	-	-	3 519
Materials and bulk purchases	106 801	76	106 876	97 999	-	8 877	91.8%	91.8%	-	-	-	91 638
Transfers and grants	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Other expenditure	41 502	4 224	45 726	48 821	-	(3 095)	106.8%	117.6%	-	-	-	44 195
Total Expenditure	290 746	4 300	295 045	304 444	-	(9 399)	103.2%	104.7%	-	-	-	294 889
Surplus/(Deficit)	(58 298)	2 083	(56 215)	(75 327)		19 112	134.0%	129.2%				(76 548)
Transfers recognised - capital	24 774	12 647	37 421	24 821		12 600	66.3%	100.2%				13 327
Contributions recognised - capital & contributed assets	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) after capital transfers & contributions	(33 524)	14 730	(18 794)	(50 506)		31 712	268.7%	150.7%				(63 221)
Share of surplus/ (deficit) of associate	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) for the year	(33 524)	14 730	(18 794)	(50 506)		31 712	268.7%	150.7%				(63 221)
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	24 774	12 647	37 421	-		37 421	0.0%	0.0%				14 544
Public contributions & donations	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Borrowing	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Internally generated funds	-	7 000	7 000	-		7 000	0.0%	#DIV/0!				2 932
Total sources of capital funds	24 774	19 647	44 421	-		44 421	0.0%	0.0%				17 476
Cash flows												
Net cash from (used) operating	23 884	12 355	36 239	25 153		-	69.4%	105.3%				11 276
Net cash from (used) investing	(24 774)	(12 647)	(37 421)	(22 651)		-	60.5%	91.4%				(18 534)
Net cash from (used) financing	158	-	158	(120)		-	-75.6%	-75.6%				(440)
Cash/cash equivalents at the year end	4 000	(292)	3 708	13 702		-	369.5%	342.5%				11 321

NAMA KHOI MUNICIPALITY - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2017/18								2016/17			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand												
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	97 277	8 087	105 364	101 327		4 037	96.2%	104.2%				93 339
Executive and council	1 581	60	1 641	1 407		233	85.8%	89.0%				1 343
Finance and administration	95 696	8 027	103 723	99 919		3 804	96.3%	104.4%				91 996
Internal audit	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Community and public safety	2 514	(0)	2 514	2 401		113	95.5%	95.5%				3 711
Community and social services	2 423	(0)	2 423	2 339		84	96.5%	96.5%				3 153
Sport and recreation	92	0	92	48		44	52.1%	52.1%				558
Public safety	–	–	–	15		(15)	#DIV/0!	#DIV/0!				–
Housing	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Health	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Economic and environmental services	8 964	(1)	8 963	2 368		6 595	26.4%	26.4%				2 941
Planning and development	–	–	–	–		–	#DIV/0!	#DIV/0!				37
Road transport	8 964	(1)	8 963	2 368		6 595	26.4%	26.4%				2 904
Environmental protection	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Trading services	148 328	10 944	159 272	149 154		10 118	93.6%	100.6%				131 246
Electricity	83 630	7 300	90 930	78 989		11 940	86.9%	94.5%				71 728
Water	33 194	4 435	37 629	32 341		5 288	85.9%	97.4%				25 946
Waste water management	18 779	(790)	17 989	25 350		(7 362)	140.9%	135.0%				21 345
Waste management	12 725	0	12 725	12 474		251	98.0%	98.0%				12 227
Other	138	(0)	138	61		77	44.0%	44.0%				118
Total Revenue - Standard	257 084	19 030	276 114	255 310		20 803	92.5%	99.3%				231 355

NAMA KHOI MUNICIPALITY - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2017/18								2016/17			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand												
	1	2	3	4	5	6	7	8	9	10	11	12
Expenditure - Standard												
<i>Governance and administration</i>	93 054	(1 620)	91 434	115 103	–	(23 669)	125.9%	123.7%	–	–	–	103 063
Executive and council	18 083	403	18 487	18 514	–	(27)	100.1%	102.4%	–	–	–	20 309
Finance and administration	73 642	(2 023)	71 618	95 419	–	(23 801)	133.2%	129.6%	–	–	–	81 619
Internal audit	1 329	(0)	1 329	1 170	–	159	88.1%	88.1%	–	–	–	1 135
<i>Community and public safety</i>	14 245	6 755	21 000	14 276	–	6 724	68.0%	100.2%	–	–	–	11 370
Community and social services	8 241	3 194	11 435	9 212	–	2 223	80.6%	111.8%	–	–	–	6 295
Sport and recreation	2 764	3 561	6 325	2 361	–	3 964	37.3%	85.4%	–	–	–	2 225
Public safety	3 239	(0)	3 239	2 703	–	537	83.4%	83.4%	–	–	–	2 850
Housing	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Health	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
<i>Economic and environmental services</i>	25 394	(0)	25 394	12 958	–	12 436	51.0%	51.0%	–	–	–	60 115
Planning and development	1 240	0	1 240	1 092	–	148	88.1%	88.1%	–	–	–	9 537
Road transport	24 155	(0)	24 154	11 866	–	12 289	49.1%	49.1%	–	–	–	50 578
Environmental protection	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
<i>Trading services</i>	157 562	(440)	157 122	163 105	–	(5 983)	103.8%	103.5%	–	–	–	128 514
Electricity	89 259	(173)	89 086	74 987	–	14 098	84.2%	84.0%	–	–	–	74 241
Water	41 899	(160)	41 740	37 735	–	4 004	90.4%	90.1%	–	–	–	36 800
Waste water management	15 610	(107)	15 503	38 593	–	(23 090)	248.9%	247.2%	–	–	–	7 595
Waste management	10 794	0	10 794	11 789	–	(995)	109.2%	109.2%	–	–	–	9 878
<i>Other</i>	491	(395)	96	375	–	(279)	392.2%	76.4%	–	–	–	–
Total Expenditure - Standard	290 746	4 300	295 045	305 816	–	(10 771)	103.7%	105.2%	–	–	–	303 062
Surplus/(Deficit) for the year	(33 662)	14 730	(18 932)	(50 506)	–	31 575	266.8%	150.0%	–	–	–	(71 706)

NAMA KHOI MUNICIPALITY - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2017/18								2016/17			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - Municipal Manager	1 581	60	1 642	1 408		234	85.8%	89.0%				1 381
Vote 2 - Financial Services	94 347	1 439	95 786	97 659		(1 873)	102.0%	103.5%				90 589
Vote 3 - Corporate Services	1 340	6 588	7 928	2 256		5 672	28.5%	168.3%				1 398
Vote 4 - Community Services: Community Development	15 304	(0)	15 304	14 859		445	97.1%	97.1%				15 999
Vote 5 - Community Services: Public Safety	2 357	(0)	2 357	2 451		(94)	104.0%	104.0%				2 969
Vote 6 - Electrical Engineering Services	83 630	7 300	90 930	78 989		11 940	86.9%	94.5%				71 728
Vote 7 - Infrastructure, Engineering & Technical Services	58 662	3 643	62 305	57 688		4 617	92.6%	98.3%				47 292
Total Revenue by Vote	257 221	19 030	276 251	255 310		20 941	92.4%	99.3%				231 355
Expenditure by Vote to be appropriated												
Vote 1 - Municipal Manager	19 721	403	20 124	19 949	-	-	0.0%	0.0%	11 056	-	-	30 012
Vote 2 - Financial Services	41 748	(7 844)	33 904	59 408	25 504	-	0.0%	0.0%	-	-	-	50 801
Vote 3 - Corporate Services	20 441	5 729	26 169	24 644	-	-	0.0%	0.0%	-	-	-	19 670
Vote 4 - Community Services: Community Development	22 651	6 360	29 012	24 076	-	-	0.0%	0.0%	-	-	-	18 814
Vote 5 - Community Services: Public Safety	8 537	(0)	8 537	7 886	-	-	0.0%	0.0%	-	-	-	7 632
Vote 6 - Electrical Engineering Services	89 259	(173)	89 086	74 987	-	-	0.0%	0.0%	83	-	-	74 241
Vote 7 - Infrastructure, Engineering & Technical Services	88 388	(175)	88 213	94 866	6 652	-	0.0%	0.0%	10 295	-	-	101 891
Total Expenditure by Vote	290 746	4 300	295 045	305 816	32 156	(10 771)	103.7%	105.2%	21 434	-	-	303 062
Surplus/(Deficit) for the year	(33 524)	14 730	(18 794)	(50 506)		31 712	268.7%	150.7%				

NAMA KHOI MUNICIPALITY - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2017/18								2016/17			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	44 117	1 147	45 264	45 166		98	99.8%	102.4%				42 273
Service charges - electricity revenue	78 579	0	78 579	73 323		5 256	93.3%	93.3%				69 912
Service charges - water revenue	28 194	(107)	28 087	26 995		1 092	96.1%	95.7%				25 700
Service charges - sanitation revenue	10 692	(790)	9 902	10 585		(683)	106.9%	99.0%				9 863
Service charges - refuse revenue	12 724	(0)	12 724	12 468		256	98.0%	98.0%				11 814
Service charges - other	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Rental of facilities and equipment	1 657	(453)	1 204	2 688		(1 484)	223.3%	162.2%				1 809
Interest earned - external investments	1 361	713	2 074	1 328		746	64.0%	97.6%				1 107
Interest earned - outstanding debtors	1 389	418	1 807	8 422		(6 615)	466.1%	606.3%				6 613
Dividends received	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Fines	5 016	0	5 016	105		4 910	2.1%	2.1%				425
Licences and permits	1 366	(0)	1 366	1 305		61	95.6%	95.6%				1 365
Agency services	1 098	(0)	1 098	1 105		(7)	100.7%	100.7%				1 326
Transfers recognised - operational	44 441	(805)	43 636	44 766		(1 130)	102.6%	100.7%				43 140
Other revenue	1 814	(739)	1 075	861		214	80.1%	47.5%				2 993
Gains on disposal of PPE	–	7 000	7 000	(1)		7 001	0.0%	#DIV/0!				–
Total Revenue (excluding capital transfers and contributions)	232 447	6 383	238 830	229 116.977		9 713	95.9%	98.6%				218 341
Expenditure By Type												
Employee related costs	82 830	(0)	82 830	78 623	–	4 207	94.9%	94.9%	–	–	–	81 670
Remuneration of councillors	5 368	0	5 368	5 792	–	(424)	107.9%	107.9%	–	–	–	5 165
Debt impairment	9 977	–	9 977	25 303	–	(15 326)	253.6%	253.6%	–	–	–	27 553
Depreciation & asset impairment	43 517	0	43 517	35 789	–	7 729	82.2%	82.2%	–	–	–	41 150
Finance charges	750	–	750	12 118	–	(11 368)	1615.7%	1615.7%	–	–	–	3 519
Bulk purchases	98 724	0	98 724	90 327	–	8 397	91.5%	91.5%	–	–	–	91 638
Other materials	8 077	76	8 152	7 672	–	480	94.1%	95.0%	–	–	–	–
Contracted services	21 901	199	22 100	17 039	–	5 061	77.1%	77.8%	–	–	–	9 585
Transfers and grants	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Other expenditure	19 601	4 025	23 626	31 782	–	(8 155)	134.5%	162.1%	–	–	–	34 609
Loss on disposal of PPE	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	8 485
Total Expenditure	290 746	4 300	295 045	304 444.299	–	(9 399)	103.2%	104.7%	–	–	–	303 375
Surplus/(Deficit)	(58 298)	2 083	(56 215)	(75 327)		19 112	134.0%	129.2%				(85 033)

NAMA KHOI MUNICIPALITY - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2017/18								2016/17			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Transfers recognised - capital	24 774	12 647	37 421	24 821		12 600	66.3%	100.2%				13 327
Contributions recognised - capital	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Contributed assets	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Surplus/(Deficit) after capital transfers & contributions	(33 524)	14 730	(18 794)	(50 506)		31 712	268.7%	150.7%				(71 706)
Taxation	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Surplus/(Deficit) after taxation	(33 524)	14 730	(18 794)	(50 506)		31 712	268.7%	150.7%				(71 706)
Attributable to minorities	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Surplus/(Deficit) attributable to municipality	(33 524)	14 730	(18 794)	(50 506)		31 712	268.7%	150.7%				(71 706)
Share of surplus/ (deficit) of associate	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Surplus/(Deficit) for the year	(33 524)	14 730	(18 794)	(50 506)		31 712	268.7%	150.7%				(71 706)

NAMA KHOI MUNICIPALITY - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2017/18								2016/17			
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - Executive and Council	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 2 - Budget and Treasury Office	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 4 - Community and Social Services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 5 - Sport and Recreation	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 6 - Public Safety	3 500	-	3 500	-	-	3 500	0%	0%	-	-	-	-
Vote 7 - Planning and Development	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 8 - Road Transport	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 9 - Electricity	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 10 - Water	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 11 - Waste Water Management	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 12 - Solid Waste	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 13 - Other	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 14 - Environmental Health	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Capital multi-year expenditure	3 500	-	3 500	-	-	3 500	0%	0%	-	-	-	-
Single-year expenditure												
Vote 1 - Executive and Council	-	6 500	6 500	-	-	6 500	0%	#DIV/0!	-	-	-	12
Vote 2 - Budget and Treasury Office	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 3 - Corporate Services	-	485	485	-	-	485	0%	#DIV/0!	-	-	-	1 285
Vote 4 - Community and Social Services	-	820	820	-	-	820	0%	#DIV/0!	-	-	-	233
Vote 5 - Sport and Recreation	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 6 - Public Safety	1 500	7 300	8 800	-	-	8 800	0%	0%	-	-	-	2 612
Vote 7 - Planning and Development	19 774	4 542	24 316	-	-	24 316	0%	0%	-	-	-	13 334
Vote 8 - Road Transport	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 9 - Electricity	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 10 - Water	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 11 - Waste Water Management	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 12 - Solid Waste	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 13 - Other	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 14 - Environmental Health	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Capital single-year expenditure	21 274	19 647	40 921	-	-	40 921	0%	0%	-	-	-	17 476
Total Capital Expenditure - Vote	24 774	19 647	44 421	-	-	44 421	0%	0%	-	-	-	17 476

NAMA KHOI MUNICIPALITY - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2017/18								2016/17			
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital Expenditure - Standard												
Governance and administration	–	6 985	6 985	–	–	6 985	0%	0%	–	–	–	1 166
Executive and council	–	6 500	6 500	–	–	6 500	0%	#DIV/0!	–	–	–	12
Finance and administration	–	485	485	–	–	485	0%	#DIV/0!	–	–	–	–
Internal audit	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	1 155
Community and public safety	–	820	820	–	–	820	0%	0%	–	–	–	117
Community and social services	–	820	820	–	–	820	0%	#DIV/0!	–	–	–	117
Sport and recreation	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Public safety	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Housing	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Health	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Economic and environmental services	6 687	(4 187)	2 500	–	–	2 500	0%	0%	–	–	–	2 624
Planning and development	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Road transport	6 687	(4 187)	2 500	–	–	2 500	0%	0%	–	–	–	2 624
Environmental protection	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Trading services	18 087	16 029	34 116	–	–	34 116	0%	0%	–	–	–	13 568
Electricity	5 000	7 300	12 300	–	–	12 300	0%	0%	–	–	–	4 011
Water	5 000	6 842	11 842	–	–	11 842	0%	0%	–	–	–	84
Waste water management	8 087	1 887	9 974	–	–	9 974	0%	0%	–	–	–	9 268
Waste management	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	204
Other	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Total Capital Expenditure - Standard	24 774	19 647	44 421	–	–	44 421	0%	0%	–	–	–	17 476
Funded by:												
National Government	24 774	11 842	36 616	–	–	36 616	0%	0%	–	–	–	13 927
Provincial Government	–	805	805	–	–	805	0%	#DIV/0!	–	–	–	117
District Municipality	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	500
Other transfers and grants	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Transfers recognised - capital	24 774	12 647	37 421	–	–	37 421	0%	0%	–	–	–	14 544
Public contributions & donations	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Borrowing	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Internally generated funds	–	7 000	7 000	–	–	7 000	0%	#DIV/0!	–	–	–	2 932
Total Capital Funding	24 774	19 647	44 421	–	–	44 421	0%	0%	–	–	–	17 476

NAMA KHOI MUNICIPALITY - Reconciliation of Table A7 Budgeted Cash Flows

Description R thousand	2017/18							2016/17
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, penalties and collection charges	41 643	1 727	43 370	45 478	(2 108)	104.9%	109.2%	36 418
Service charges	125 766	(2 456)	123 310	106 450	16 860	86.3%	84.6%	105 142
Other revenue	7 579	61	7 640	5 968	1 672	78.1%	78.7%	8 995
Government - operating	44 441	(805)	43 636	44 484	(849)	101.9%	100.1%	43 091
Government - capital	24 774	12 647	37 421	36 616	805	97.8%	147.8%	12 827
Interest	1 361	713	2 074	1 328	746	64.0%	97.6%	1 107
Dividends	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Payments								
Suppliers and employees	(220 931)	469	(220 461)	(205 227)	(15 234)	93.1%	92.9%	(192 785)
Finance charges	(750)	-	(750)	(9 945)	9 195	1326.0%	1326.0%	(3 519)
Transfers and Grants	-	-	-	-	-	#DIV/0!	#DIV/0!	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	23 884	12 355	36 239	25 153	11 087	69.4%	105.3%	11 276
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	7 000	7 000	-	7 000	0.0%	#DIV/0!	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Decrease (increase) other non-current receivables	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Decrease (increase) in non-current investments	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Payments								
Capital assets	(24 774)	(19 647)	(44 421)	(22 651)	(21 770)	51.0%	91.4%	(18 534)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(24 774)	(12 647)	(37 421)	(22 651)	(14 770)	60.5%	91.4%	(18 534)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Borrowing long term/refinancing	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Increase (decrease) in consumer deposits	319	-	319	128	191	40.1%	40.1%	187
Payments								
Repayment of borrowing	(160)	-	(160)	(248)	87	154.5%	154.5%	(627)
NET CASH FROM/(USED) FINANCING ACTIVITIES	158	-	158	(120)	278	-75.6%	-75.6%	(440)
NET INCREASE/ (DECREASE) IN CASH HELD	(731)	(292)	(1 023)	2 381	(3 405)	-232.7%	-325.6%	(7 698)
Cash/cash equivalents at the year begin:	4 731	-	4 731	11 321	(6 589)	239.3%	239.3%	19 018
Cash/cash equivalents at the year end:	4 000	(292)	3 708	13 702	(9 994)	369.5%	342.5%	11 321